

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 367** SLS 26RS 348

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 27, 2026	5:27 PM	<b>Author:</b> EDMONDS
<b>Dept./Agy.:</b> Treasury, Dept. of Revenue, Dept. of Conservation & Energy		<b>Analyst:</b> Mimi Blanchard
<b>Subject:</b> Watershed Restoration & Conservation Fund		

WATER MANAGEMENT EN INCREASE SD EX See Note  
Creates the Watershed Conservation Fund. (8/1/26)

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Current Law allocates 1/5 or 20% of severance tax collections other than lignite, sulfur and timber to the parish governing authority in which the severance occurs up to a constitutional cap, with the remaining deposited to SGF.

Proposed law retains current law, but instead requires remaining portions of recurring sand severance taxes collected within the geographic boundaries of the Amite River Basin Drainage and Water Conservation District (District) be deposited into the Watershed Restoration and Conservation Fund (created in the bill) rather than to the SGF. Proposed law requires monies designated for the fund and received by the state treasurer from donations, gifts, grants, or other revenue be deposited into the fund. Proposed law appropriates monies in the fund to the Coastal Protection and Restoration Authority (CPRA) for use by the board of commissioners for the Amite River Basin Drainage and Water Conservation District for uses provided in the bill. Proposed law specifies annual reporting requirements due March 1st of each calendar year. Effective July 1, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>SEE BELOW</b>	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law is assumed to increase expenditures out of the newly created Statutory Dedication, the Watershed Restoration and Conservation Fund, in an amount equal to annual deposits into the fund (see Revenue Explanation below). Monies in the fund are to be used to support the reclamation, restoration and long-term stewardship of lands and watersheds within the Amite River Basin impacted by sand and gravel mining operations, with priority given to flood-prone areas and impaired watersheds.

Proposed law limits the dedication to the geographic boundaries of the Amite River Basin Drainage and Water Conservation District. Louisiana Department of Revenue (LDR) has reported that it will add an attribute to taxpayers accounts to parse out collections solely within the district, as it does not currently have such a mechanism in place for sand severance tax, with no associated additional expenditures. LFO believes that LDR may incur SGR expenditures to modify tax forms, reporting, and computer systems, as current reporting is limited to the parish level. Expenditures reported by LDR for similar modifications totaled \$25,210. LFO believes system adjustments will occur simultaneously with standard annual adjustments, however; LDR may determine within the budget process whether the implementation of cumulative session actions may warrant additional resources.

Treasury requires certain resources to create and administer a statutory dedication, as in this bill. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required for FY 27, which is assumed to be SGR in this fiscal note.

**REVENUE EXPLANATION**

Proposed law will result in an indeterminable decrease in SGF revenues from FY 27 to FY 31, and a corresponding increase in statutory dedications to the Watershed Restoration and Conservation Fund (created in the bill). Proposed law dedicates remaining portions of sand severance taxes collected within the geographic boundaries of the Amite River Basin Drainage and Water Conservation District. There are seven parishes whose boundaries overlap with the geographic boundaries of the District.

Using FY 25 actual sand severance tax collections from those parishes provided by LDR and applying the annual growth rates of severance tax in the current REC, the total sand severance taxes collected for the Watershed Restoration and Conservation Fund would average approximately \$92,205 from FY 27 to FY 31. Actual fiscal impact in any given fiscal year will depend on total severance tax collections for that year and totals will vary based on changes in production and prices. *\*Note: The reports used for this estimate combine sand and shell severance taxes, slightly inflating the estimate. Additionally, these collections are representative of the parish as a whole, rather than only the portions of the parishes which are located within the district.*

Monies designated for the fund and received by the treasurer from donations, gifts, grants, or other revenues are additionally deposited into the fund, which may further indeterminably increase the deposits into the fund.

Senate  
Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*

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**Legislative Fiscal Officer**