LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 670** HLS 26RS 180
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 28, 2026 3:39 PM **Author:** OWEN, CHARLES
Dept./Agy.: Louisiana Economic Development
Subject: LED Prioritizing Wood Pellet and Wood Derived Fuel Manuf. **Analyst:** Noah O'Dell

ECONOMIC DEVELOPMENT EN SEE FISC NOTE GF EX See Note
Provides relative to wood pellet and wood derived fuel manufacturing

Proposed law permits Louisiana Economic Development (LED) to establish wood pellet and wood derived fuel manufacturing as priority industries. LED is permitted to promulgate rules and regulations including but not limited to: 1) Prioritizing and enhancing job creation incentives for wood pellet and wood derived fuel manufacturing facilities; 2) Establish workforce development and training initiatives for the industries; 3) Coordination with ports regarding infrastructure needs for wood pellet and wood derived fuel manufacturing cargo; 4) Establishing site readiness criteria for wood pellet and wood derived fuel manufacturing; 5) Provide clear regulatory pathways for the industry; and 6) prioritizing wood pellet and wood derived fuel cargo for loading, docking, and processing at state ports.

Effective August 1, 2026.

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

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

Proposed law permits, but does not mandate, Louisiana Economic Development (LED) to promulgate rules to prioritize and enhance the wood pellet and wood derived fuel manufacturing industries in the state utilizing existing programs and under existing statutory authority. Accordingly, the bill is not anticipated to directly increase agency costs.

If LED elects to implement provisions of the bill related to job creation incentives, workforce development and training initiatives, port infrastructure needs, site readiness, regulatory pathways, and port prioritization for wood pellet and wood derived fuel manufacturers, LED may increase SGF expenditures or statutory dedication expenditures (depending on the program) relative to the agency's baseline budget and current utilization. LFO assumes any expenditures exceeding current program authority or budgeted resources require a separate legislative appropriation.

If implemented, LED estimates one-time costs of approximately $250,000 SGF in FY 27 to hire an external consulting firm to conduct research and industry analysis to support rule promulgation and program design. LED reports this cost estimate may potentially be higher, given the addition of the wood derived fuel industry in the Senate floor amendments. However, these expenditures would continue to be voluntary under the bill and subject to the availability of monies and/or a specific appropriation. The agency's 2025 comprehensive statewide strategic plan, *Positioning Louisiana to Win*, identifies seven priority sectors for the state to target to accelerate economic growth in asset-based industries. While wood pellet and wood derived fuel manufacturing is not specifically identified as priority sectors, LED indicates that the industries would likely fall under the broader Energy and Process Industries category.

LFO cannot independently corroborate the estimated consulting cost. LFO assumes certain administrative costs would be incurred if the bill is implemented. **The ultimate fiscal impact of the bill will depend on any rules promulgated by LED, which will determine the scope of programming and incentives available to wood pellet and wood derived fuel manufacturers**. To the extent existing LED programs (such as the Certified Sites Program (Fast Sites), FastStart, and the High Impact Job Program) are modified to extend eligibility to wood pellet and wood derived fuel manufacturers that would not otherwise qualify, program utilization and associated expenditures (SGF or statutory dedications) may increase.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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