

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 28** SLS 051ES 195
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

| | |
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| Date: November 13, 2005 3:09 PM | Author: DUPRE |
| Dept./Agy.: Natural Resources | Analyst: Stephanie C. Blanchard |
| Subject: Wetlands Conservation and Restoration Fund | |

COASTAL RESOURCES EG SEE FISC NOTE FF RV See Note Page 1 of 1

Changes name of Wetlands Conservation and Restoration Fund to Coastal Protection and Restoration Fund and provides for deposit and uses of the fund.

Present law provides relative to the Wetlands Conservation and Restoration Fund in the State Treasury, including funding sources, amounts, allocations, and uses. Proposed law adds that, subject to "8g" and Bond Security and Redemption Fund requirements, the first \$600 million in federal revenues received by the State generated from Outer Continental Shelf oil and gas activity and eligible, as provided by federal law, to be used for the purposes of the proposed law shall be deposited and credited to the Wetlands Conservation and Restoration Fund. Such federal revenues shall be used for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetlands losses. Federal revenues received from Outer Continental Shelf oil and gas activity shall be exclusive from the \$500 million limit of the Fund. Provides that it shall take effect and become operative if and when the proposed amendment of Article 7, Section 10.2 of the Constitution of Louisiana contained in the Act which originated as Senate Bill 27 of the 2005 First Extraordinary Legislative Session is adopted at the next statewide election and becomes effective. Repeals Act 300 of the 2005 Regular Session.

| EXPENDITURES | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
| 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 | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
| 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 | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Currently there is a constitutional amendment pending a vote of the people (Act 513 of 2005) that would deposit any income derived from outer continental shelf oil and gas activity as provided by federal law into the Wetlands Conservation and Restoration Fund and establishes its dedicated uses. This proposed legislation and companion constitutional amendment (SB 27) changes the name of the fund to the "Coastal Protection and Restoration Fund" and adds a new allowable use to the fund, "coastal protection, including conservation, coastal restoration, hurricane protection and infrastructure directly impacted by coastal wetland losses."

While additional federal funding for coastal restoration has been made available, it is not specifically "federal revenues received by the State generated from outer continental shelf oil and gas production" and therefore may or may not be deposited into the fund.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Currently there is a constitutional amendment pending a vote of the people (Act 513 of 2005) that would deposit any income derived from outer continental shelf oil and gas activity as provided by federal law into the Wetlands Conservation and Restoration Fund and establishes its dedicated uses. This proposed legislation and companion constitutional amendment (SB 27) changes the name of the fund to the "Coastal Protection and Restoration Fund" and adds a new allowable use to the fund, "coastal protection, including conservation, coastal restoration, hurricane protection and infrastructure directly impacted by coastal wetland losses."

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Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Robert E. Hosse
LFO Staff Director