



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 810** HLS 14RS 954  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> April 1, 2014 4:23 PM	<b>Author:</b> HARRISON
<b>Dept./Agy.:</b> Coastal Protection & Restoration Authority	
<b>Subject:</b> Freshwater Diversions	<b>Analyst:</b> Matthew LaBruyere

COASTAL RESOURCES OR +\$4,000,000 SD EX See Note Page 1 of 1  
Provides for freshwater diversions effects on fisheries

Proposed law prohibits operating any freshwater diversion constructed, operated, or maintained pursuant to present law at a flow rate that negatively affects the commercial and recreational fisheries through changes in salinity or nutrient levels.

Proposed law requires a notice containing a summary of any change to an operational plan be submitted to the La. Register, the official journal of the parish where the project is located, and the parishes affected 30 days prior to implementation.

Proposed law provides that the summary shall indicate any change to the 5 parts per thousand salinity line impacted by the plan.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$4,000,000	\$1,000,000	\$5,000,000	\$2,000,000	\$2,000,000	\$14,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$4,000,000	\$1,000,000	\$5,000,000	\$2,000,000	\$2,000,000	\$14,000,000

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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

The proposed legislation will result in an increase in statutory dedicated expenditures as a result of monitoring freshwater diversion projects. There are currently 2 freshwater diversion projects operated by the Coastal Protection and Restoration Authority (CPRA) and 2 freshwater diversion projects are expected to become operational in FY 17.

According to CPRA, in order for the department to measure, monitor, and model the changes in salinity in areas with freshwater diversion projects, additional monitoring stations with real-time monitoring sensors will be needed within the Mississippi River and adjacent basins. CPRA also indicates that hydrodynamic and morphological numerical models will need to be updated to use the real-time monitoring data to predict salinity levels in the basins affected by the freshwater diversion projects. The cost to set up the monitoring stations and update the models would be approximately \$3.0 M. This setup cost would be required in FY 17 when the other 2 freshwater diversion projects become operational. The setup costs include the following: creating and updating models, creating visualization tools to forecast future salinity levels, the purchase of monitoring equipment, and the setup of the equipment within the basins effected by freshwater diversions.

The projected annual cost of operating and maintaining the monitoring system would be approximately \$500,000 per freshwater diversion project. Since there are currently 2 freshwater diversion projects, the annual cost would be \$1.0 M (\$500,000 per project x 2 projects). Once the future freshwater diversion projects become operation in FY 17, there would be a total of 4 projects, which would result in an annual cost of \$2.0 M (\$500,000 per project x 4 projects).

Cost	FY 15	FY 16	FY 17	FY 18	FY 19
Setup cost	\$3,000,000	\$0	\$3,000,000	\$0	\$0
Annual cost	\$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Total	\$4,000,000	\$1,000,000	\$5,000,000	\$2,000,000	\$2,000,000

REVENUE EXPLANATION

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

Senate

Dual Referral Rules

House

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☒ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

☐ 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

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

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