

# LEGISLATIVE FISCAL OFFICE

## Fiscal Note



Fiscal Note On: **SB 122** SLS 21RS 171

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 20, 2021	6:33 PM	<b>Author:</b> ALLAIN
<b>Dept./Agy.:</b> Natural Resources		<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Coastal Zone Management Program		

COASTAL RESOURCES OR +\$272,666 SD EX See Note Page 1 of 1  
 Provides for monies collected from enforcement actions of coastal use permits. (8/1/21)

Present law provides for the distribution of monies collected from enforcement actions for uses of state concerns as follows: (1) 50% deposited into the Coastal Resources Trust Fund for reimbursement to the dept. for the cost of enforcing the coastal zone management program; (2) 25% deposited in the local government's mitigation banks; and (3) 25% deposited in the Wetlands Conservation and Restoration Fund. Proposed law changes the distribution of monies as follows: (1) 75% deposited into the Coastal Protection and Restoration Fund; and (2) 25% deposited in the local government's mitigation banks, or if not mitigation bank, into a restricted fund administered by the parish governing authority of the parish or parishes. Proposed law requires the Coastal Protection and Restoration Authority to provide oversight of deposited funds as match funding for projects approved in the coastal master plan. Present law provides that 100% of monies collected by the Secretary of Natural Resources be deposited into local government mitigation banks. Proposed law includes monies collected by the Attorney General, appropriate district attorney, or local government. Proposed law effective 8/01/21.

EXPENDITURES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$272,666	\$278,119	\$283,682	\$289,355	\$295,142	<b>\$1,418,964</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$272,666</b>	<b>\$278,119</b>	<b>\$283,682</b>	<b>\$289,355</b>	<b>\$295,142</b>	<b>\$1,418,964</b>

  

REVENUES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

### EXPENDITURE EXPLANATION

Proposed law is anticipated to increase expenditures from the statutorily dedicated Coastal Protection and Restoration Fund by \$272,666 in the Coastal Protection and Restoration Authority (CPRA) as a result of the increased workload associated with increased submission and approval of coastal projects. The proposed law reallocates the distribution of monies received by CPRA and local governmental entities from enforcement activities. Under present law, 50% is deposited into the Coastal Resources Trust Fund, 25% deposited into local government mitigation banks, and 25% deposited into the Wetland Conservation and Restoration Fund (renamed the Coastal Protection and Restoration Fund in 2005). The proposed law reallocates the 50% from the Coastal Resources Trust Fund into the Coastal Protection and Restoration Fund, which is located in the Department of Natural Resources (DNR). DNR reports the majority of funding in this fund was sent to CPRA to pay for projects under the coastal master plan; therefore, the proposed law does not impact expenditures within DNR.

The proposed law provides that CPRA administer the process for local governments to submit coastal restoration projects for consideration of matching funds under the coastal master plan. According to CPRA, the initial development of rules and regulations will be handled by existing CPRA staff and resources. To implement the proposed law, CPRA reports needing two new positions to handle an anticipated increase in the number of projects and associated contractual agreements with local governments that will require oversight. Estimated costs of the proposed law include two new positions - a Coastal Resources Scientist Manager/Engineer 6 (\$99,336 salary and \$49,668 related benefits) and an Attorney 3 (\$82,441 salary and \$41,221 related benefits), for a total cost of \$272,666. In subsequent fiscal years, this fiscal note assumes a 2% market rate adjustment in salaries and related benefits for the two positions (total expenditures of \$278,119 in FY 23, \$283,682 in FY 24, \$289,355 in FY 25, and \$295,142 in FY 26).

### REVENUE EXPLANATION

The proposed law does not change existing sources of revenue or create any new sources of revenue. The proposed law reallocates the distribution of monies received by the state and local governmental entities from enforcement activities, including transferring monies that would currently be deposited into the statutorily dedicated Coastal Resources Trust Fund into the Coastal Protection and Restoration Fund instead. To the extent that any monies are collected from coastal zone lawsuits and deposited as required under this measure, the proposed law may increase statutorily dedications revenue in CPRA. The timing, amount, and event of such collections are indeterminable.

Monies in the Coastal Resources Trust Fund are from permit application fees collected by the Department of Natural Resources (DNR). As of 4/20/2021, the fund balance in the Coastal Resources Trust Fund is \$10.86 M. DNR reports that the majority of the funds are sent to CPRA to pay for coastal projects deemed beneficial use. In FY 21, DNR has \$5.75 M budgeted from the Coastal Protection and Restoration Fund and \$5 of that \$5.75 M will be transferred to CPRA. Since the proposed law does not change the present law that allows expenses incurred by DNR to be deducted before depositing funds into Coastal Protection and Restoration Fund and the majority of the funds are transferred to CPRA, this measure does not impact DNR.

Senate  
 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}

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