

2023 Regular Session

HOUSE BILL NO. 116

BY REPRESENTATIVE ORGERON

COASTAL RES/COASTAL ZONE: Provides relative to the disposition of funds derived from alternative energy production in the coastal area

1 AN ACT

2 To amend and reenact R.S. 49:214.5.4(E)(1), (3), (4)(introductory paragraph) and (b), and  
3 (5)(a)(introductory paragraph) and (b) and (F) and to enact R.S. 49:214.5.4(K),  
4 relative to proceeds from alternative energy production in the coastal area; to provide  
5 for disposition of revenues; to provide for restrictions on the use of revenues; to  
6 provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 49:214.5.4(E)(1), (3), (4)(introductory paragraph) and (b), and  
9 (5)(a)(introductory paragraph) and (b) and (F) are hereby amended and reenacted to read as  
10 follows: §214.5.4. Funding and resource allocation

11 \* \* \*

12 E.(1) Subject to Article VII, Sections 9(B) and 10.1 of the Constitution of  
13 Louisiana, in each fiscal year, the federal revenues that are received by the state  
14 generated from Outer Continental Shelf energy production, including but not limited  
15 to oil and gas activity, wind energy, solar energy, tidal energy, wave energy,  
16 geothermal energy, and other alternative or renewable energy production or sources,  
17 and eligible, as provided by federal law, to be used for the purposes provided in this  
18 Subsection shall be deposited and credited by the treasurer to the Coastal Protection  
19 and Restoration Fund.

20 \* \* \*

1 (3) In each year, no more than ten percent of the federal revenues received  
2 by the state generated from Outer Continental Shelf ~~oil and gas activity~~ energy  
3 production may be used for the purposes of infrastructure directly impacted by  
4 coastal wetlands losses.

5 (4) In each fiscal year, at least two hundred thousand dollars but no more  
6 than seven percent of the federal revenues received by the state generated from Outer  
7 Continental Shelf ~~oil and gas activity~~ energy production may be used for  
8 administrative costs or fees. The provisions of this Paragraph shall not apply to the  
9 following:

10 \* \* \*

11 (b) Any securitization or other monetizing of all or any portion of the federal  
12 revenues received by the state generated from Outer Continental Shelf ~~oil and gas~~  
13 ~~activity~~ energy production.

14 \* \* \*

15 (5)(a) Beginning with Fiscal Year 2023, a portion of the total federal  
16 revenues received by the state generated from Outer Continental Shelf ~~oil and gas~~  
17 ~~activity~~ energy production shall be allocated solely for hurricane protection projects,  
18 including operation and maintenance, that are included in or consistent with the  
19 master plan as follows:

20 \* \* \*

21 (b) If the total federal revenues received by the state generated from Outer  
22 Continental Shelf ~~oil and gas activity~~ energy production are less than one hundred  
23 million dollars in any fiscal year, then the minimum allocations contained in  
24 Subparagraph (a) of this Paragraph shall not apply.

25 \* \* \*

26 F. The money in the fund shall be invested as provided by law and any  
27 earnings realized on investment of money in the fund shall be deposited in and  
28 credited to the fund. Revenues derived from integrated coastal protection programs,  
29 projects, or activities shall be deposited in and credited to the fund. Money from

1 other sources, such as donations, appropriations, or dedications, may be deposited  
 2 in and credited to the fund; however, the balance of the fund which, exclusive of  
 3 federal revenues received as provided for in Subsection E of this Section and state  
 4 revenues as provided in Subsection K of this Section, consists of mineral revenues  
 5 from severance taxes, royalty payments, bonus payments, or rentals shall not exceed  
 6 five hundred million dollars. Any unexpended money remaining in the fund at the  
 7 end of the fiscal year shall be retained in the fund.

8 \* \* \*

9 Section 2. R.S. 49:214.5.4(K) is hereby enacted to read as follows:

10 §214.5.4. Funding and resource allocation

11 \* \* \*

12 K.(1) Subject to Article VII, Sections 9(B) and 10.1 of the Constitution of  
 13 Louisiana, in each fiscal year, the revenues that are received by the state generated  
 14 upon state lands or waterbottoms located in the coastal area from alternative or  
 15 renewable energy production or sources, including but not limited to wind energy,  
 16 solar energy, tidal energy, wave energy, and geothermal energy, shall be deposited  
 17 and credited by the treasurer to the Coastal Protection and Restoration Fund.

18 (2) Such revenues shall be used only for the purposes of integrated coastal  
 19 protection, including but not limited to coastal wetlands conservation, coastal  
 20 restoration, hurricane protection, or for infrastructure directly impacted by coastal  
 21 wetlands losses.

22 (3) In each year, no more than ten percent of the revenues received by the  
 23 state generated upon state lands or waterbottoms located in the coastal area from  
 24 alternative or renewable energy production or sources, including but not limited to  
 25 wind energy, solar energy, tidal energy, wave energy, and geothermal energy, may  
 26 be used for the purposes of infrastructure directly impacted by coastal wetlands  
 27 losses.

28 Section 3.(A) The provisions of this Section and Section 2 of this Act shall become  
 29 effective upon signature by the governor or, if not signed by the governor, upon expiration

1 of the time for bills to become law without signature by the governor, as provided by Article  
2 III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently  
3 approved by the legislature, this Section and Section 2 of this Act shall become effective on  
4 the day following such approval.

5 (B) The provisions of Section 1 of this Act shall take effect and become operative  
6 if and when the proposed amendment of Article VII of the Constitution of Louisiana  
7 contained in the Act which originated as House Bill No. \_\_\_\_\_ of this 2023 Regular Session  
8 of the Legislature is adopted at a statewide election and becomes effective.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 116 Original

2023 Regular Session

Orgeron

**Abstract:** Dedicates revenues received from alternative or renewable energy production on the Outer Continental Shelf to the Coastal Protection and Restoration Fund.

Present law requires that the treasurer deposit annually into the Coastal Protection and Restoration Fund the federal revenues received by the state from Outer Continental Shelf oil and gas activity.

Proposed law retains present law requirement and adds federal revenues generated from Outer Continental Shelf alternative or renewable energy production sources.

Present law provides that no more than 10% of the federal revenues received by the state generated from Outer Continental Shelf oil and gas activity may be used for the purposes of infrastructure directly impacted by coastal wetlands losses annually. Proposed law changes present law requirement from revenues generated from oil and gas activities to revenues generated from energy production.

Present law provides that at least \$200,000 but no more than seven percent of the federal revenues received by the state generated from Outer Continental Shelf oil and gas activity may be used for administrative costs or fees annually. Proposed law changes present law requirement from revenues generated from oil and gas activities to revenues generated from energy production.

Present law requires that, beginning with Fiscal Year 2023, a portion of the total federal revenues received by the state generated from Outer Continental Shelf oil and gas activity be allocated solely for hurricane protection projects, including operation and maintenance, that are included in or consistent with the master plan. Proposed law changes present law requirement from revenues generated from oil and gas activities to revenues generated from energy production.

Proposed law provides that the revenues that are received by the state generated upon state lands or waterbottoms located in the coastal area from alternative or renewable energy production or sources must be used only for the purposes of integrated coastal protection,

including but not limited to coastal wetlands conservation, coastal restoration, hurricane protection, or for infrastructure directly impacted by coastal wetlands losses.

Proposed law further provides that in each year, no more than 10% of the revenues received by the state generated upon state lands or waterbottoms located in the coastal area from alternative or renewable energy production or sources may be used for the purposes of infrastructure directly impacted by coastal wetlands losses.

The provisions of proposed law regarding revenue generated upon state lands or waterbottoms from alternative or renewable energy production or sources are effective upon the governor's signature or upon expiration of the time for bills to become law without signature by the governor. Remaining provisions of proposed law are effective if and when the proposed amendment to Article VII contained in House Bill \_\_\_\_ of the 2023 Regular Session is adopted at a statewide election and becomes effective.

(Amends R.S. 49:214.5.4(E)(1), (3), (4)(intro. para.) and (b), and (5)(a)(intro. para.) and (b) and (F); Adds R.S. 49:214.5.4(K))