



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 454** HLS 23RS 600
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 20, 2023	8:56 AM	Author: MACK
Dept./Agy.: Secretary of State/Department of Natural Resources		
Subject: Local Election for Carbon Dioxide Sequestration		Analyst: Kimberly Fruge

ENERGY/CONSERVATION OR SEE FISC NOTE LF EX Page 1 of 1
 Requires a local election for the approval of carbon dioxide sequestration within a parish

Proposed law requires parish voters to approve of any carbon dioxide sequestration activities within the parish.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will lead to an increase in expenditures by parish governing authorities in parishes where carbon dioxide sequestration activities may take place. According to the Secretary of State's (SOS) office, local costs would vary depending on when and where the election is held.

(1) If the referendum is placed on the ballot during a statewide election, then the parish governing authority would only be responsible for paying for a portion of the costs. For illustrative purposes, if the referendum were added to the statewide election in Fall 2023, the parish would be responsible for no more than 10% of the costs of the election. This cost could range from \$2,800 to \$42,000, depending on the size of the parish.

(2) If held during a municipal election, costs would likely increase for the parish governing authority. If this is the only ballot item during that election, the governing authority would be responsible for the full cost of the election. To the extent other ballot items are added, the cost related to this measure would be reduced. The costs of municipal election are dependent on parish size and the number of ballot items, and therefore cannot be determined at this time.

If an election is held and the carbon dioxide sequestration activities are approved, the parish governing authority will notify the Commissioner of Conservation who would proceed with the application for carbon dioxide sequestration as defined in current law. If carbon dioxide sequestration activities are not approved the Commissioner cannot grant a certificate or permit in that parish.

REVENUE EXPLANATION

There may be a potential loss in state revenues to the extent state land that is currently being leased for carbon dioxide sequestration becomes ineligible for carbon dioxide sequestration. Any such losses are indeterminable at this time. Revenue sources are assumed to be Statutory Dedications for the purpose of this note.

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}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer