



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 496** HLS 26RS 471
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 10, 2026	12:11 PM	Author: MCCORMICK
Dept./Agy.: Department of Conservation and Energy		Analyst: Courtney Stevenson
Subject: Onsite and Community Saltwater Disposal Wells		

ENERGY/OIL & GAS WELLS OR SEE FISC NOTE SG EX Page 1 of 1
 Provides for the operation of saltwater disposal wells in the parishes of Bossier, Caddo, and Webster

Purpose of Bill: This bill prohibits the Department of Conservation and Energy (C&E) from setting maximum limits for surface injection pressure below certain levels for onsite or community saltwater disposal wells (excluding commercial disposal wells) in Bossier, Caddo, and Webster parishes. In addition, the bill allows operators whose existing permits restrict injection pressures below these new levels to request permit modifications.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	\$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

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	\$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

EXPENDITURE EXPLANATION

This bill may increase agency self-generated expenditures by \$526,107 over four years (FY27 to FY30) for permit hearings, with the potential for additional costs for permit modification reviews. C&E anticipates that permits for 699 wells in Bossier, Caddo, and Webster parishes will require a review and a local hearing to be modified. C&E expects to process 15 permits across 3 hearings monthly. Estimated hearing costs, including court reporters, travel, and venue rental, are as follows:

	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Total Hearing Costs	\$124,232	\$135,194	\$135,194	\$131,487	\$0	\$526,107
Number of Hearings	33	36	36	35	0	140
Number of Permits	165	180	180	174	0	699

Note: C&E anticipates needing 3 new positions for permit reviews, costing \$393,744 over four years (FY27 to FY30). If review and hearing costs exceed revenue generated from related fees, C&E may require State General Fund appropriations. However, the Legislative Auditor's Office cannot confirm the necessity of these positions because: (1) a 2025 fiscal note for a similar, broader bill indicated C&E's existing staff could conduct these reviews; and (2) the estimated 120-hour monthly workload (15 permits per month x 8 hours per permit) is less than a typical monthly workload for one full-time employee.

REVENUE EXPLANATION

This bill may increase agency self-generated revenues by a total of \$737,445 over four years (FY27 to FY30).

Officials with C&E indicated that the bill may increase agency self-generated revenue for C&E as a result of assessing existing fees associated with modifying the 699 existing saltwater disposal well permits (\$300 fee for permit review and \$755 fee for hearing administrative costs).

	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Permit Review Fee	\$49,500	\$54,000	\$54,000	\$52,200	\$0	\$209,700
Hearing Administrative Fee	\$124,575	\$135,900	\$135,900	\$131,370	\$0	\$527,745
Total Fee Revenue	\$174,075	\$189,900	\$189,900	\$183,570	\$0	\$737,445
Number of Permits	165	180	180	174	0	699

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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