

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 634** HLS 25RS 1028

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

REVISED

Date: May 6, 2025	2:00 PM	Author: LANDRY, JACOB
Dept./Agy.: Energy and Natural Resources		Analyst: Mimi Blanchard
Subject: Oilfield Site Remediation		

MINERALS OR SEE FISC NOTE SD RV See Note
To provide relative to remediation of oilfield sites

Current law requires oilfield and E&P operators to remediate contamination at their sites, but disputes between operators and landowners are typically resolved through litigation or private negotiation. State agencies like the Louisiana Department of Environmental Quality (DEQ) oversee environmental damage assessments but do not play a structured role in resolving these disputes.

Proposed law establishes a formal dispute resolution process for oilfield contamination. It creates a review panel of three experts to assess contamination, recommend remediation plans, and provide a formal procedure for appeals. The bill sets timelines for submitting remediation plans, defines key terms like "contamination," and grants immunity to panel members. The Natural Resources Trust Authority will manage the approved remediation plans, and costs will be paid into the Oilfield Site Restoration Fund. Additionally, the bill outlines the procedures for appeals and ensures compliance through a clear framework for dispute resolution.

Effective January 1, 2026.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

The bill establishes a new procedure for resolving environmental damage disputes arising from activities under the jurisdiction of the Department of Energy and Natural Resources (DENR), replacing the current remediation process for suits filed on or after July 1, 2026. A review panel will be created to resolve disputes between landowners and operators over contamination at oilfield and exploration and production (E&P) sites, including evaluation of contamination, determination of causation, identification of responsible parties, and issuance of orders regarding remediation.

DENR will continue to use existing staff and the contract attorney currently responsible for implementing the existing process and may recover program costs from the settling parties. As a result, there is expected to be minimal to no fiscal impact on expenditures. The Department of Environmental Quality (DEQ), Department of Wildlife and Fisheries (LDWF), and the Department of Agriculture and Forestry (LDAF) report no additional expenditures related to their roles in the proposed process.

REVENUE EXPLANATION

This bill will result in an indeterminable increase to the Oilfield Site Restoration Fund, as costs associated with remediation plans and assessments will be paid into the fund. The revenue impact will depend on the number of disputes and the scope of remediation required per site. The cost of handling each case may vary substantially depending on the specific circumstances; however, as with current law, the proposed legislation provides that the agency may recover all costs incurred while carrying out the duties required by the program from the settling party.

Senate

Dual Referral Rules

House

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

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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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