



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 522** HLS 25RS 852
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 18, 2025 1:29 PM **Author:** MCCORMICK
Dept./Agy.: Economic Development/Energy and Natural Resources **Analyst:** Mimi Blanchard
Subject: Carbon Dioxide Sequestration Moratorium

ENERGY/CONSERVATION OR SEE FISC NOTE GF RV Page 1 of 1
 Places a moratorium on carbon dioxide sequestration

Proposed law places a moratorium on the geologic storage or sequestration of carbon dioxide, the transportation of carbon dioxide within the state for the purpose of geologic sequestration, and the issuance of any permits, certificates, or orders related to these activities. The moratorium is intended to allow for the study of risks to security and private property rights associated with carbon sequestration and remains in effect until July 1, 2026. Proposed law repeals the moratorium after its expiration.

Effective upon governor's signature or upon expiration of the time for gubernatorial action.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$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

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The research or study referenced in the proposed law is expected to incur costs (reflected as SGF in this fiscal note); however, because the bill does not identify the entity responsible for conducting the study, it is not possible to determine which means of financing will be affected or which agencies may incur these costs. DENR reports that although permits will not be issued during this timeframe, applications will continue to be accepted and reviewed by department staff under their regularly assigned workload, incurring no additional costs.

REVENUE EXPLANATION

To the extent that current carbon capture and sequestration projects (CCS) would have been approved during the timeframe of the moratorium, associated revenues from injection related payments would be delayed. The Department of Energy and Natural Resources (DENR) estimates a possible 7-10 permits that would have been issued during the timeframe of the moratorium. These revenues are allocated 40% to the State General Fund, 30% to the Mineral and Energy Operation Fund, and 30% to the parish where the injection well is located. For projects located within Wildlife Management Areas (WMAs) regulated by the Louisiana Department of Wildlife and Fisheries (LDWF), 100% of the CCS revenue is directed to LDWF's Conservation Fund for the management of the WMA. Foregone revenues are speculative and indeterminable.

The bill does not specify any consequences of review results, therefore LFO cannot quantify any fiscal effects for FY 27 and beyond.

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}



Deborah Vivien
Chief Economist