

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 638** HLS 25RS 751

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|----------|---------------------------------|
| Date: May 5, 2025 | 11:33 AM | Author: COATES |
| Dept./Agy.: Louisiana Department of Agriculture and Forestry | | Analyst: Richie Anderson |
| Subject: Solar Conversion Fees | | |

ENERGY/SOLAR

EG SEE FISC NOTE SD RV

Page 1 of 1

Establishes agricultural conversion fees for large-scale solar development

Proposed law requires the Louisiana Department of Agriculture and Forestry (LDAF) to impose a fee on solar power generation facilities with a footprint of ten acres or more to mitigate any loss of agricultural resources. Proposed law provides that LDAF in conjunction with the Louisiana State University AgCenter shall promulgate rules to implement a method which can be uniformly applied, to charge an annual per acre fee on solar power generation facilities. Proposed law allows LDAF to use commodity specific land as part of the fee calculation. Proposed law establishes a special account known as the Solar Conversion Fund within the Department of Agriculture and Forestry (LDAF).

Proposed law is contingent upon adoption of House Bill 615 of the 2025 RS.

| 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. | SEE BELOW | \$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. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law requires LDAF to develop and implement a method to charge a fee to reimburse the department for the costs incurred during the letter of clearance process, as outlined in HB 615, and to mitigate the loss of agricultural resources. LDAF reports they would be able to develop this method using existing staff and resources to implement the proposed law.

Proposed law requires the Louisiana State University (LSU) Agcenter to assist LDAF in implementing a method that can uniformly applied. LSU Agcenter reports that any expenditure increase required to implement the proposed law can be done with existing resources and staff.

Treasury requires certain resources to create and administer a statutory dedication, as in this measure. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

REVENUE EXPLANATION

Proposed law would result in an indeterminate revenue increase for the Louisiana Department of Agriculture and Forestry (LDAF) into the proposed Solar Conversion Fund. Proposed law requires LDAF to promulgate rules to impose an annual per acre fee on solar power generation facilities of ten acres or more. Proposed law allows LDAF to collect revenues to reimburse the letter of clearance process outlined in HB 615 and compensation to mitigate the loss of agricultural resources. LDAF reports they are unable to determine the revenue since a method to calculate the fee has not been developed.

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}

Patrice Thomas
Deputy Fiscal Officer