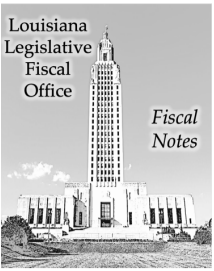


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 63** SLS 26RS 132
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 18, 2026 6:51 PM **Author:** WHEAT
Dept./Agy.: Conservation and Energy, Wildlife and Fisheries
Subject: Carbon Pipelines on Wildlife Management Areas **Analyst:** Mimi Blanchard

WILD REFUGES/PRESERVES OR -\$3,292,850 SD RV See Note Page 1 of 2
 Prohibits construction of pipelines on certain wildlife management areas. (8/1/26)

Current law authorizes the Department of Conservation and Energy (C&E) to permit and regulate Class VI carbon dioxide injection wells, pipelines, and carbon dioxide sequestration.

Proposed law prohibits the construction of pipelines for the purpose of transporting carbon dioxide within the boundaries of Maurepas Swamp Wildlife Management Area (WMA), Joyce WMA, and Manchac WMA.

Effective August 1, 2026.

EXPENDITURES	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.	\$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	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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$3,292,850)	(\$4,881,188)	(\$4,881,188)	(\$4,881,188)	(\$4,881,188)	(\$22,817,602)
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	(\$2,091,938)	(\$2,091,938)	(\$2,091,938)	(\$2,091,938)	(\$8,367,752)
Annual Total	(\$3,292,850)	(\$6,973,126)	(\$6,973,126)	(\$6,973,126)	(\$6,973,126)	(\$31,185,354)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION


Proposed law prohibits the construction of pipelines for the purpose of transporting carbon dioxide (CO₂) within the boundaries of Maurepas Swamp, Joyce, or Manchac WMA. Because the bill does not provide for retroactive application to existing pipelines, the fiscal impact is limited to pipeline applications in these areas that are still under review. C&E reports that there are currently two projects in the Maurepas Swamp WMA area in the construction phase and awaiting final injection permit approval. There are currently no projects in the Joyce or Manchac WMA areas. To the extent that construction associated with the Maurepas Swamp WMA projects do not proceed, or that future Class VI carbon capture and storage (CCS) projects are unable to construct CO₂ pipelines through Maurepas Swamp, Joyce, or Manchac WMA, state revenues associated with CCS activity will be reduced.

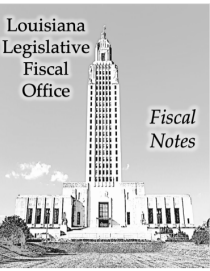
Bonus or lease revenue from Class VI CCS projects are allocated 40% to the State General Fund (SGF), 30% to the Mineral and Energy Operation (ME&O) Fund, and 30% to the parish or parishes (split according to share of acreage) where the injection well is located. For projects located within Wildlife Management Areas (WMAs) regulated by the Louisiana Department of Wildlife and Fisheries (LDWF), 100% of the CCS revenue is directed to LDWF to be deposited into the Conservation Fund for the management of the WMA. **Based on estimates associated with the current projects in the Maurepas Swamp area, C&E estimates a loss of approximately \$3.3 M to the Conservation Fund in FY 27.**

Once Class VI wells begin injecting CO₂, LDWF receives only 70% of injection revenues for such projects, with the remaining 30% to the parish or parishes (split according to share of acreage). **Based on the minimum guaranteed annual payments specified in the Maurepas Swamp project agreements, C&E estimates revenue losses associated with injection of approximately \$7 M annually beginning in FY 28, including \$4.9 M to the Conservation Fund and \$2.1 M to affected parishes (\$697,500 M to St. James, \$1.2 M to St. John the Baptist, and \$198,150 to Ascension).** Private landowners in those parishes may receive royalty payments if their land is included in a unitized storage area, depending on the terms of the operating agreement.

CONTINUED REVENUE EXPLANATION ON PAGE 2.

- | | |
|---|--|
| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
|---|--|


Alan M. Boxberger
Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:
CONTINUED REVENUE EXPLANATION

There are currently 99 pending Class VI well applications associated with 30 projects statewide. Each Class VI injection well has a one-time application fee of \$100,000, plus \$10,000 for each additional well at a storage facility with total fees capped at \$200,000 for the initial filing. Additionally, a periodic area of review filing fee of \$25,000 is collected within 5 years of first injection. All of these fees are deposited into the Carbon Dioxide Geologic Storage Trust Fund to support regulatory oversight by C&E. The LFO is unclear whether or not applications fees already paid for pending projects would have to be refunded should projects not proceed as a result of proposed law.

Because pipelines are required to transport captured carbon dioxide to Class VI injection wells, a prohibition even in a specified geographic area could prevent otherwise permitted multi-parish or interstate projects from proceeding. The legality of restricting or interfering with interstate projects is uncertain, and while the resulting fiscal impact cannot be quantified at this time, it could be significant potentially in the hundreds of millions of dollars if projects undertaken in conjunction with or under contract with other states do not proceed.

Senate Dual Referral Rules
13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[X] 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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