

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 367** SLS 26RS 348

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 20, 2026 2:53 PM	Author: EDMONDS
Dept./Agy.: Treasury, Dept. of Revenue, Dept. of Conservation & Energy	Analyst: Mimi Blanchard
Subject: Watershed Restoration & Conservation Fund	

WATER MANAGEMENT OR -\$764,699 GF RV See Note
Creates the Watershed Conservation Fund. (8/1/26)

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Current law dedicates revenues from sand and stone severance tax to the Coastal Protection and Restoration Fund, and to the parish governing authority in which production occurs, with the remaining balance deposited into the State General Fund (SGF).

Proposed law retains current law, but instead requires remaining portions of sand and stone severance taxes be deposited into the Watershed Restoration and Conservation Fund (created in the bill) rather than to the SGF. Proposed law provides that the fund shall be administered by the Department of Conservation and Energy (C&E) and limits the use of these monies to reclamation, restoration, and watershed-based flood risk reduction and conservation activities in eligible watersheds. Proposed law specifies annual reporting requirements due before March 1st each year.

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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$764,699	\$784,482	\$789,212	\$797,599	\$825,632	\$3,961,624
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	(\$764,699)	(\$784,482)	(\$789,212)	(\$797,599)	(\$825,632)	(\$3,961,624)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$764,699	\$784,482	\$789,212	\$797,599	\$825,632	\$3,961,624
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The Department of Conservation and Energy (C&E) reports that it will require one additional Statewide Program Manager 1 position to develop the program, administer the fund, review projects, and fulfill monitoring and reporting requirements. Salary and related benefits for the position total \$143,095 (\$102,211 salary and \$40,884 related benefits) for FY 27, with annual 3% market rate adjustments included for FY 28 and beyond, which will be paid from the Watershed Restoration and Conservation Fund (created in the bill).

Once administrative costs are covered, the LFO assumes the balance of monies deposited into the fund each year will be expended by C&E for projects related to reclamation, restoration, and watershed-based flood risk reduction and conservation activities in eligible watersheds.

Treasury requires certain resources to create and administer a statutory dedication, as in this bill. 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 will result in a decrease in SGF revenues averaging approximately \$792,325 from FY 27 to FY 31, and a corresponding increase in statutory dedications to the Watershed Restoration and Conservation Fund (created in the bill). Estimates are calculated using FY 25 actual sand and stone severance tax collections and applying the annual growth rates of severance tax in the current REC. These estimates are shown in the revenue table above. Actual fiscal impact in any given fiscal year will depend on total severance tax collections for that year and totals will vary based on changes in production and prices.

The Coastal Protection and Restoration Authority (CPRA) reports that proposed law is not anticipated to impact revenues to the Coastal Protection and Restoration Fund, as the required constitutional dedication remains unchanged. An additional 2% dedication to the Coastal Protection and Restoration Fund is allowed when mineral revenues exceed required allocations as provided in La R.S. 49:214.5.4, though CPRA reports that this has only been triggered once in the last five years.

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}

Alan M. Boxberger

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