



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 670** HLS 26RS 180
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 20, 2026 4:24 PM	Author: OWEN, CHARLES
Dept./Agy.: Louisiana Economic Development	
Subject: LED Prioritizing Wood Pellet Manufacturing	Analyst: Noah O'Dell

ECONOMIC DEVELOPMENT EG SEE FISC NOTE GF EX See Note Page 1 of 1
 Provides relative to wood pellet manufacturing

Proposed law permits Louisiana Economic Development (LED) to establish wood pellet manufacturing as a priority industry. LED is permitted to promulgate rules and regulations including but not limited to: 1) Prioritizing and enhancing job creation incentives for wood pellet manufacturing facilities; 2) Establish workforce development and training initiatives for the industry; 3) Coordination with ports regarding infrastructure needs for wood pellet manufacturing cargo; 4) Establishing site readiness criteria for wood pellet manufacturing; 5) Provide clear regulatory pathways for the industry.

Effective August 1, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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.	\$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

EXPENDITURE EXPLANATION

Proposed law permits, but does not mandate, Louisiana Economic Development (LED) to promulgate rules to prioritize and enhance the wood pellet manufacturing industry in the state utilizing existing programs and under existing statutory authority. Accordingly, the bill is not anticipated to directly increase agency costs.

If LED elects to implement provisions of the bill related to job creation incentives, workforce development and training initiatives, port infrastructure needs, site readiness, and regulatory pathways for wood pellet manufacturers, LED may increase SGF expenditures or statutory dedication expenditures (depending on the program) relative to the agency's baseline budget and current utilization. LFO assumes any expenditures exceeding current program authority or budgeted resources require a separate legislative appropriation.

If implemented, LED estimates one-time costs of up to \$250,000 SGF in FY 27 to hire an external consulting firm to conduct research and industry analysis to support rule promulgation and program design. The agency's 2025 comprehensive statewide strategic plan, *Positioning Louisiana to Win*, identifies seven priority sectors for the state to target to accelerate economic growth in asset-based industries. While wood pellet manufacturing is not specifically identified as a priority sector, LED indicates that the industry would likely fall under the broader Energy and Process Industries category.

LFO cannot independently corroborate the estimated consulting cost. LFO assumes certain administrative costs would be incurred if the bill is implemented. **The ultimate fiscal impact of the bill will depend on any rules promulgated by LED, which will determine the scope of programming and incentives available to wood pellet manufacturers.** To the extent existing LED programs (such as the Certified Sites Program (Fast Sites), FastStart, and the High Impact Job Program) are modified to extend eligibility to wood pellet manufacturers that would not otherwise qualify, program utilization and associated expenditures (SGF or statutory dedications) may increase.

REVENUE EXPLANATION

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

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}

Alan M. Boxberger
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 Legislative Fiscal Officer