

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 249** SLS 17RS 739
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 1, 2017 8:55 AM	Author: CHABERT
Dept./Agy.: Coastal Protection and Restoration	Analyst: Willis Brewer
Subject: Dedicates revenue received via the Gulf of Mexico Energy	

FUNDS/FUNDING OR +\$60,000 SD EX See Note Page 1 of 1

Dedicates certain revenue received by the state from the federal government via the Gulf of Mexico Energy and Security Act. (7/1/17)

Proposed law provides that eighty-five percent of the federal revenues that are received by the state generated from Outer Continental Shelf oil and gas activity for the previous fiscal year shall be disbursed annually to primary levee districts for the purpose of hurricane protection in accordance with particular formulas. Further requires the Coastal Protection and Restoration Authority Board to modify its annual plan to account for these disbursements.

Proposed law provides for these redirected GOMESA funds to be distributed as follows: 25% on the coastal population (in proportion to the population of all coastal parishes), 25% on the number of coastline miles (in proportion of the number of miles of coastline of all coastal parishes in the state), and 50% determined by the distance the parish is to the geographic center of each leased tract, as determined by the secretary of the United States Department of the Interior. Effective July 1, 2017.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed law is anticipated to increase expenditures to Coastal Protection and Restoration Authority (CPRA). The proposed law directs 85% of the Gulf of Mexico Energy Security Act (GOMESA) revenues received by Coastal Protection and Restoration Authority (CPRA) to certain parish levee districts.

CPRA anticipates it may require an additional Accountant I position at a cost of \$58,610 (salaries and benefits) to establish the distribution formula required in this legislation and to track the expenditures paid to the levee districts. Any increase in expenses will be paid out of the Coastal Protection and Restoration Fund. The LFO has identified there are currently three accountants at CPRA. To the extent the workload requirements of this legislation is less than expected, the LFO anticipates the agency will not require the additional position.

Based on the 2018 Coastal Master Plan, the estimated GOMESA revenues (excluding carryforwards) in FY 19 is \$140 M. This legislation will dedicate 85% of these revenues, or \$119 M, to the parish levee districts. This legislation will require CPRA to reduce the projects identified in CPRA's annual Coastal Plan, however, the extent of any such reduction is indeterminable. While the annual plan forecasts receipt of the \$140 M, the plan (which covers FY 18 through FY 20) does not allocate the full amount to specific projects in FY 19 and FY 20 which are still under consideration.

REVENUE EXPLANATION

There is no anticipated direct material effect on the Gulf of Mexico Energy Security Act (GOMESA) revenues Coastal Protection and Restoration Authority (CPRA) will receive.

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}

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