



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 176** SLS 20RS 296

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 9, 2020	8:09 AM	Author: ALLAIN
Dept./Agy.: Statewide		
Subject: Allows boundary agreements concerning disputed property		Analyst: Alan M. Boxberger

PUBLIC LANDS

OR INCREASE GF EX See Note

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Allows for the state and private landowners to enter into boundary agreements concerning disputed property. (8/1/20)

Proposed law authorizes that the commissioner of administration may enter into agreements with riparian landowners to establish a permanent, fixed boundary between state and privately owned or claimed water bottoms, regardless of the navigability of the water body; authorizes the state in such agreements to accept a donation of any riparian owned or claimed lands or water bottoms, subject to a perpetual reservation of minerals, regardless of any subsequent erosion or loss of the land donated, or of the present or future navigability of the water bottom; requires all agreements and donations to provide that the public shall enjoy a permanent right of reasonable, regulated public access over all present water bottoms allocated to the riparian landowner and all future water bottoms created from the riparian land as a result of natural erosion, subsidence or rising sea levels. Proposed law will be effective if and when the proposed amendment of Article IX, Section 3 and 4(A) of the Constitution of Louisiana contained in the Act which originated as SB 177 of the 2020 Regular Session of the Louisiana Legislature is adopted at the statewide election to be held on November 3, 2020, and becomes effective.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may increase state expenditures, potentially significantly, related to negotiations between the state and private landowners with regard to establishing permanent, fixed boundaries between state and private owned or claimed water bottoms. As these agreements are optional and pursuant only to joint interest, it is impossible to estimate the total expenditure impact (depicted as SGF only for purposes of this fiscal note, but potentially impacting multiple means of finance). In addition to expenditures related to negotiating such agreements, the acquisition of any additional lands can lead to additional administrative land management expenses across a number of different state entities with regard to existing or potential lease agreements with third parties such as oyster, right-of-way, surface use, etc. The transactions contemplated under this provision create a number of complexities that cannot be quantified or estimated and will depend largely on negotiated agreements between the state and private landowners. The number of landowners who may pursue an agreement as provided in proposed law is indeterminable.

Leasing activities by the Office of Mineral Resources in the Louisiana Department of Natural Resources will likely be reduced by an indeterminable level, depending on the number of consensual agreements entered. However, the contemplated agreements may reduce litigation and negotiation costs related to disputed mineral royalties and facilitate a stable mineral

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law will create an indeterminable revenue impact for state and local governmental entities. In the aggregate, proposed law could create potentially significant increased or decreased state (depicted as SGF only for purposes of this fiscal note, but potentially impacting additional means of finance) and Local Funds revenues, and could vary from positive to negative over time. The transactions contemplated under this provision create a number of complexities that cannot be quantified or estimated and will depend on negotiated mineral ownership compromises, surface revenue compromises, payments in lieu of taxes to local governments, and impacts to property tax obligations in cases where ownership shifts from private to state.

The number of landowners who may pursue an agreement as provided in proposed law is indeterminable.

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

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Staff Director



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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

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title for properties currently or prospectively in dispute. The net impact on state expenditures is indeterminable, as individual agreements may increase or decrease expenditures, but in the aggregate are impossible to quantify or estimate.

The LFO assumes that the state will pursue agreements that would seek to maintain a neutral or favorable fiscal position, entering into agreements that generate revenues sufficient to support ongoing land management expenses. To the degree that numerous landowners attempt to negotiate boundary agreements with the state, the State Land Office may realize a sufficient workload increase as to require additional personnel and budgetary resources (designated in this fiscal note as SGF only for simplicity.

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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