

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 331** HLS 21RS 713

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 2, 2021	4:51 PM	Author: BOURRIAQUE
Dept./Agy.: State Lands		Analyst: Monique Appeaning
Subject: State Water Bottoms		

PUBLIC LANDS/STATE EG SEE FISC NOTE SG EX See Note Page 1 of 2
(Constitutional Amendment) Authorizes the state to enter into certain agreements with landowners concerning boundaries between state claimed and privately claimed water bottoms

Proposed constitutional amendment provides exceptions for alienation of state water bottoms. Proposed constitutional amendment shall only apply to coastal zones outlined in R.S. 49:214.24. The state is authorized to enter into negotiations with riparian landowners relative to surface and mineral ownership interest under the following: agreements with riparian landowners to establish a permanent, fixed boundary within a body of water, regardless of its navigability and regardless of whether the body of water is a lake, river, stream, or seashore, which establishes ownership between the state and the riparian owner; accepting a donation of any riparian landowner owned or claimed lands or water bottoms, subject to perpetual reservation of minerals, regardless of subsequent erosion, subsidence, sea-level rise, or other similar loss of the land donated, or of the present or future navigability of the water bottom donated. Proposed constitutional amendment provides that an agreement or donation authorized shall provide as a minimum, that the public has a permanent right of reasonable, regulated access over an agreed portion of the water bottoms allocated to the riparian landowner, which shall proportionately extend to and over future water bottoms created from the riparian land as a result of natural erosion, subsidence, or sea-level rise, or other similar loss, regardless of such water bottom's present or future navigability. The state **may** agree to the disposition of mineral rights.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	SEE BELOW					
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	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	
Annual Total						

EXPENDITURE EXPLANATION

Proposed constitutional amendment may result in an indeterminable impact on expenditures to the state. The Office of State Lands (SLO) reports that implementation costs include mineral ownership compromises, surface revenue compromises, payments in lieu of taxes to local governments, and administrative land management expenses. SLO assumes this legislation is intended to allow for implementing either of two proposals/pathways, but there are tremendous differences between them. One may be accompanied by a potential negative fiscal impact to the SGF, while a potential positive fiscal impact may accompany the other. The net impact on expenditures is indeterminable as future actions taken by the state, and riparian landowners are speculative and cannot be forecasted.

NOTE: SLO indicated that this legislation is related to the Public Recreational Task Force under Senate Concurrent Resolution 99 of the 2018 Regular Session, which submitted its report to the legislature on January 31, 2020. The report contains several proposals/pathways forward.

The Department of Natural Resources (DNR) reports that the proposed constitutional amendment may increase state expenditures, potentially significantly, including those 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. 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.

CONTINUED ON PAGE 2

REVENUE EXPLANATION

The impact of the proposed constitutional amendment on state and local revenues is unknown. The proposed constitutional amendment does not address a specific proposal/pathway outlined in the aforementioned report by the Public Recreational Task Force. Future actions taken by the state and riparian landowners are speculative and cannot be forecasted. The Legislative Fiscal Office is unable to determine the net impact on state or local revenues.

The Louisiana Department of Wildlife and Fisheries reports that it cannot determine what the revenue impact would be with the passage of this bill, but it could potentially affect the mineral rights associated with the department-owned water bottoms.

DNR reports that this bill will create an indeterminable revenue impact for state and local governmental entities. In the aggregate, the current bill 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 creates 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 or agree to negotiated instruments as provided in this measure is indeterminable.

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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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

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 or agree to negotiated instruments as provided in this measure is indeterminable.

DNR reports that the leasing activities by the Office of Mineral Resources will likely be reduced by an indeterminable level, depending on the number of consensual agreements entered. The net impact on state expenditures is indeterminable, as individual agreements may increase or decrease expenditures, and in the aggregate are impossible to quantify or estimate.

Senate

Dual Referral Rules

- 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
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House

- 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
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