

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 300** HLS 24RS 432

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|---------|----------------------------------|
| Date: May 31, 2024 | 5:41 PM | Author: ORGERON |
| Dept./Agy.: CPRA/Department of Natural Resources | | Analyst: Benjamin Vincent |
| Subject: Includes alternative energy in the Coastal OCS dedication | | |

COASTAL RESOURCES EN SEE FISC NOTE GF RV See Note Page 1 of 1
(Constitutional Amendment) Provides relative to the disposition of funds derived from alternative energy production in the coastal area

Current law dedicates all federal revenue generated from the Outer Continental Shelf (OCS) from oil and gas activity to the Coastal Protection and Restoration Fund and specifies permissible uses of monies from the fund.

Proposed law directs any federal revenue generated in the OCS by alternative energy to the same dedication as OCS mineral revenue, which is the Coastal Protection and Restoration Fund. It is not clear whether any component of carbon sequestration fits within this definition.

To be submitted to the electors at the statewide election to be held on November 5, 2024.

| EXPENDITURES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 5 -YEAR TOTAL |
|---------------------|------------------|------------|------------|------------|------------|---------------|
| State Gen. Fd. | SEE BELOW | \$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 |

| REVENUES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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 | | | | | | |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Department of Energy and Natural Resources (DENR) reports a potential need for additional resources should alternative energy projects increase. The bill directs some operational funds away from DENR and does not identify funding for any additional administrative expenses.

The Secretary of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Secretary of State may require additional SGF resources for the November 5, 2024, statewide election. Any expenditure impact would be realized in FY 25.

REVENUE EXPLANATION

This bill seeks to dedicate any federal revenue received by the state from alternative energy in the Outer Continental Shelf (OCS, which is 3 U.S. nautical miles offshore) to the Coastal Protection and Restoration Fund under the same dedication as oil and gas revenue.

No current federal authorization exists to distribute alternative energy revenue to states, including any potential revenue from the first offshore wind lease sale in federal waters of the Gulf of Mexico, which is effective as of November 2023 and covers approximately 102,480 acres. The LFO cannot identify current revenue generated in this manner, though when any prospective revenue agreements may be finalized, the LFO assumes the funds would flow to the CPRF instead of the SGF.

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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