



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 6** HLS 26RS 113
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 6, 2026 5:06 PM **Author:** JOHNSON, MIKE
Dept./Agy.: Department of Conservation and Energy **Analyst:** Mimi Blanchard
Subject: Carbon Sequestration and Pipelines - Rapides Parish

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 Authorizes the governing authority of Rapides Parish to determine whether carbon dioxide sequestration and pipelines transporting carbon dioxide may be permitted within the parish
Current law authorizes the Department of Conservation and Energy (C&E) to permit Class VI carbon dioxide injection wells and carbon dioxide sequestration.

Proposed law provides for Rapides Parish to determine whether Class VI carbon dioxide injection wells, carbon dioxide sequestration, and carbon dioxide pipeline transport may be permitted within the parish by passing a resolution or ordinance. The parish governing authority is required to notify the Department of Conservation and Energy of any decision made.

Effective upon signature of the governor.

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

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The bill establishes a procedure for Rapides Parish to prohibit the permitting of Class VI wells, carbon dioxide sequestration, and carbon dioxide pipeline transport within their jurisdiction. The bill only has a fiscal impact if Rapides Parish adopts a resolution to prohibit Class VI wells, carbon dioxide sequestration, and carbon dioxide pipeline transport, potentially causing forgone revenues for both state and local governments if permitted projects do not proceed.

There are currently 99 pending Class VI well applications associated with 30 projects statewide, including projects in Rapides Parish. Each Class VI injection well has a one-time application fee of \$100,000, plus \$10,000 for each additional well at a storage facility with total fees capped at \$200,000 for the initial filing. Additionally, a periodic area of review filing fee of \$25,000 is collected within 5 years of first injection. All of these fees are deposited into the Carbon Dioxide Geologic Storage Trust Fund to support regulatory oversight by C&E. The LFO is unclear whether or not applications fees already paid for pending projects would have to be refunded should projects not proceed as a result of proposed law.

Bonus or lease revenue from Class VI carbon capture and storage (CCS) projects are allocated 40% to the State General Fund, 30% to the Mineral and Energy Operation Fund, and 30% to the parish or parishes (split according to share of acreage) where the injection well is located. For projects located within Wildlife Management Areas (WMAs) regulated by the Louisiana Department of Wildlife and Fisheries (LDWF), 100% of the CCS revenue is directed to LDWF for the management of the WMA. Rapides Parish contains 4 qualifying WMAs: Alexander State Forest (8,158 acres), Elbow Slough (160 acres), and portions of both Acadiana Conservation Corridor (393 acres) and Camp Beauregard (10,680 acres). Private landowners in those parishes may receive royalty payments if their land is included in a unitized storage area, depending on the terms of the operating agreement.

Because pipelines are required to transport captured carbon dioxide to Class VI injection wells, a parish prohibition could prevent otherwise permitted multi-parish or interstate projects from proceeding. The legality of restricting or interfering with interstate projects is uncertain, and while the resulting fiscal impact cannot be quantified at this time, it could be significant potentially in the hundreds of millions of dollars if projects undertaken in conjunction with or under contract with other states do not proceed.

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