LEGISLATIVE FISCAL OFFICE
Fiscal Note

Louisiana Legislative Fiscal Office — Fiscal Notes

Fiscal Note On: **HB 7** HLS 26RS 112
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: March 6, 2026 5:09 PM
Author: JOHNSON, MIKE
Dept./Agy.: Department of Conservation and Energy
Subject: Louisiana Landowners Protection Act
Analyst: Mimi Blanchard

PROPERTY/EXPROPRIATION OR SEE FISC NOTE GF RV
Enacts the Louisiana Landowners Protection Act

Current law authorizes the Department of Conservation and Energy (C&E) to regulate the transportation and geologic storage of carbon dioxide, including permitting carbon dioxide injection wells and sequestration facilities. Current law further authorizes the secretary of C&E to order unit operation for carbon dioxide storage facilities and to issue certificates of public convenience and necessity, upon which certain private entities may exercise expropriation authority for carbon dioxide pipelines and geologic storage facilities following a public hearing.

Proposed law prohibits expropriation by private entities for the purpose of transporting carbon dioxide by pipeline or for the geologic storage of carbon dioxide and repeals the secretary's authority to order unit operation for carbon dioxide storage facilities. Proposed law further limits the authority of the secretary of C&E to issue certificates of public convenience and necessity for carbon dioxide pipelines to those serving secondary and tertiary oil and gas recovery projects.

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**	**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	**SEE BELOW**	**SEE BELOW**	**SEE BELOW**	**SEE BELOW**	**SEE BELOW**	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Proposed law prohibits expropriation by private entities for the purpose of transporting carbon dioxide by pipeline or for the geologic storage of carbon dioxide and repeals the authority of the secretary of the Department of Conservation and Energy (C&E) to order unit operation for carbon dioxide sequestration. Proposed law further limits the authority of the secretary to issue certificates of public convenience and necessity for carbon dioxide pipelines to those serving secondary and tertiary oil and gas recovery projects. To the extent that the prohibition on expropriation and the repeal of unitization authority prevent permitted or proposed Class VI carbon sequestration projects from proceeding, revenues to both state and local governments may decrease.

There are currently 99 pending Class VI well applications associated with 30 projects statewide. 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. Private landowners in parishes in which wells are located 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	House
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}		☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

Alan M. Boxberger
Legislative Fiscal Officer