

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 252** HLS 26RS 128

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 12, 2026	4:46 PM	<b>Author:</b> MCCORMICK
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Mimi Blanchard
<b>Subject:</b> Severance Tax Revenues in Caddo Pine Island Field		

FUNDS/FUNDING OR -\$1,708,285 GF RV See Note Page 1 of 1

Dedicates severance tax revenue from oil and gas produced from certain stripper wells in the Caddo Pine Island Field to the Oilfield Site Restoration Fund and provides for the use of those monies

Current law requires severance tax revenues collected on oil and gas production, including production from certified stripper wells (average production less than 10 barrels per day per month), to be distributed 20% to the parish governing authority in which production occurs, subject to an annual per-parish cap, with the remaining balance deposited into the State General Fund.

Proposed law requires 100% of severance tax revenues collected on oil and gas produced from certified stripper wells in the Caddo Pine Island Field, that would otherwise be deposited into the SGF, be deposited into the Oilfield Site Restoration (OSR) Fund. Proposed law restricts the use of these monies to oilfield site restoration and plugging of orphan wells in the Caddo Pine Island Field.

Effective July 1, 2026.

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.	<b>SEE BELOW</b>	\$0	\$0	\$0	\$0	\$0
Ded./Other	<b>\$1,708,285</b>	<b>\$1,752,479</b>	<b>\$1,763,047</b>	<b>\$1,781,781</b>	<b>\$1,844,405</b>	<b>\$8,849,997</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>		<b>\$1,752,479</b>	<b>\$1,763,047</b>	<b>\$1,781,781</b>	<b>\$1,844,405</b>	<b>\$7,141,712</b>

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>(\$1,708,285)</b>	<b>(\$1,752,479)</b>	<b>(\$1,763,047)</b>	<b>(\$1,781,781)</b>	<b>(\$1,844,405)</b>	<b>(\$8,849,997)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	<b>\$1,708,285</b>	<b>\$1,752,479</b>	<b>\$1,763,047</b>	<b>\$1,781,781</b>	<b>\$1,844,405</b>	<b>\$8,849,997</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The Department of Revenue (LDR) reports that proposed law will result in an increase of \$77,450 in SGR expenditures to implement two new severance tax returns and conduct revenue calculations for the requires remittances of stripper wells in the Caddo Pine Island Field. LFO believes that these costs will be absorbable within the departments existing budget and resources.

Proposed law increases funding available within the Oilfield Site Restoration (OSR) Fund for use by the Department of Conservation and Energy (C&E) for oilfield site restoration and orphan well plugging in the Caddo Pine Island Field. To the extent monies are appropriated and projects are approved by the department's Natural Resources Trust Authority, expenditures for restoration activities in that field may increase. For reporting purposes, this fiscal note assumes 100% of the monies diverted from the SGF into the OSR fund will be expended within the year of deposit.

**REVENUE EXPLANATION**

LDR reports that proposed law will result in a decrease in SGF revenues by approximately \$1.7 M annually and a corresponding increase in statutory dedications to the Oilfield Site Restoration (OSR) Fund beginning in FY 27, by calculating the average SGF remittances in Caddo Pine Island Field from stripper wells for FY 23 through FY 25. The LFO believes that due to the significant reduction in oil and gas severance tax collections from FY 23 and FY 24 to FY 25, and the reduction in the forecasted revenues from these sources in FY 26 through FY 30, actual impacts may average closer to \$1.8 M. The values reflected in the table above are instead calculated using FY 25 actual collections, and the annual growth rate of oil and gas severance tax revenues from the most recent REC.

The bill redirects the portion of severance tax revenues generated from certified stripper wells in the Caddo Pine Island Field that would otherwise be deposited into the SGF to the OSR Fund after required parish allocations.

Senate  
 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**