

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 841** HLS 26RS 761

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 12, 2026 4:44 PM	Author: GEYMANN
Dept./Agy.: Conservation & Energy	Analyst: Mimi Blanchard
Subject: Expropriation Procedures	

PROPERTY/EXPROPRIATION

OR SEE FISC NOTE SD RV

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Provides for expropriation procedures

Current law authorizes certain entities, including pipeline companies, to expropriate private property and establishes procedures governing negotiations, appraisals, and other requirements prior to initiating an expropriation proceeding. Current law also authorizes the Secretary of the Department of Conservation and Energy (C&E) to regulate pipelines and issue certificates that confer the authority to exercise eminent domain.

Proposed law retains current law but requires private expropriating authorities to bear court costs associated with expropriation proceedings. Proposed law requires that appraisal information provided to a landowner include a sworn statement that the appraiser is a disinterested third party with no monetary interest in the expropriation. Proposed law establishes procedures allowing a defendant to contest the validity of a proposed taking on specified grounds (listed in the bill). Proposed law establishes additional pre-expropriation requirements for pipeline owners or operators issued a certificate by C&E that confers expropriation authority. Proposed law authorizes the secretary of C&E to revoke a pipeline certificate and impose penalties if these requirements are not met.

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	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

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

Proposed law may result in minor, indeterminable increases in operating expenditures out of the Oil and Gas Regulatory Fund for the Department of Conservation and Energy (C&E) associated with reviewing complaints and conducting hearings to determine whether pipeline certificate holders complied with statutory requirements, which LFO believes may be absorbed within their existing budget.

The number of hearings that may occur under proposed law is unknown. However, C&E reports that it conducted nine hearings in calendar year 2025 and historically has not exceeded ten hearings per year. C&E currently charges a \$755 hearing fee, which may partially offset administrative costs associated with any workload increase.

REVENUE EXPLANATION

Penalty fines of \$5,000 per day per violation related to the additional pre-expropriation requirements of the bill may increase revenues to the Oil and Gas Regulatory Dedicated Fund Account. However, violation incidents cannot be foreseen and therefore revenues cannot be quantified in relation to such events. To the extent that violations result in the suspension or revocation of pipeline certificates issued by C&E, associated revenues from Carbon Capture and Sequestration activities 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 SGF, 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.

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

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