



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

Fiscal Note On: **HB 840** HLS 26RS 514  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.: **REVISED**

|   |                                |
|---|--------------------------------|
| <b>Date:</b> April 19, 2026 3:22 PM                                 | <b>Author:</b> FARNUM          |
| <b>Dept./Agy.:</b> Conservation & Energy                            | <b>Analyst:</b> Mimi Blanchard |
| <b>Subject:</b> Public Hearings for Carbon Sequestration Permitting |                                |

ENERGY OR INCREASE SD EX See Note Page 1 of 1

Establishes notice and public hearing requirements prior to issuance of orders, permits, or certificates for carbon dioxide sequestration

Current law authorizes the secretary of the Department of Conservation and Energy (C&E) to issue certificates of public convenience and necessity to carbon dioxide transporters and certificates of completion of injection operations to operators that meet applicable requirements following notice and opportunity for a public hearing.

Proposed law retains current law but requires that a public hearing be conducted to receive public comments in affected parishes prior to the issuance of any order, permit, or certificate related to carbon dioxide sequestration. Proposed law further requires that a public hearing be held in every parish where a pipeline for the transport of carbon dioxide is proposed to be constructed.

Effective August 1, 2026.

| EXPENDITURES   | 2026-27         | 2027-28         | 2028-29         | 2029-30         | 2030-31         | 5 -YEAR TOTAL |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| State Gen. Fd. | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Agy. Self-Gen. | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Ded./Other     | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> |               |
| Federal Funds  | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Local Funds    | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |

**Annual Total**

| REVENUES       | 2026-27         | 2027-28         | 2028-29         | 2029-30         | 2030-31         | 5 -YEAR TOTAL |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| State Gen. Fd. | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Agy. Self-Gen. | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> | <b>INCREASE</b> |               |
| Ded./Other     | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Federal Funds  | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |
| Local Funds    | \$0             | \$0             | \$0             | \$0             | \$0             | <b>\$0</b>    |

**Annual Total**

**EXPENDITURE EXPLANATION**

The Department of Conservation and Energy (C&E) reports that proposed law will result in an indeterminable but likely significant increase in expenditures out of either the Mineral and Energy Operation Funds or the Carbon Dioxide Geologic Storage Trust Fund associated with conducting public hearings in parishes where proposed carbon dioxide pipeline projects are located. The fiscal impact will depend on the number of pipeline certificate applications and the number of parishes involved. For pipelines crossing multiple parish boundaries, C&E may be required to conduct multiple hearings for a single project. Additional expenditures may include staff travel, court reporter travel and services, facility rental costs, and potential staff overtime.

Updated reports from C&E indicated that 108 wells may be potentially impacted by proposed law, and estimate approximately \$1.1 M in expenditures based on the assumption that at least half of these wells would proceed with pipeline projects and require new hearings (assumed to be conducted in at least 3 parishes per well). Expenditures per hearing per day include venue rental (\$1,000), daily administrative fees for a court reporter (\$50), cost of transcripts (\$560), hourly court reporter costs estimated at a full 8-hour day (\$120), travel reimbursement for the court reporter (\$0.70 per mile), and attendance of 3 existing staff positions including some overnight travel expenses assumed (Attorney Supervisor, Petroleum Scientist Administrator, and Administrative Assistant 5). The LFO cannot corroborate the estimated expenditure impact provided by C&E, however; LFO notes that the calculation made includes salaries of the 3 existing positions, which are current budgeted expenditures within C&E's current budget.

C&E reports that the current \$755 application fee per project, intended to cover hearings conducted in Baton Rouge, may not be sufficient to fully cover the costs of hearings held in other parishes and may require additional budgetary resources. These fees are currently deposited into the Carbon Dioxide Geologic Storage Trust Fund.

**REVENUE EXPLANATION**

C&E reports that it currently collects a \$755 application fee per project, intended to cover hearings conducted in Baton Rouge, which may result in an increase of approximately \$122,310 to the Oil and Gas Regulatory Dedicated Fund Account. This estimate is made by assuming that half of the potentially impacted wells proceed as pipeline projects (54 wells), though exact revenues will depend on the actual number of applicants.

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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