

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



Fiscal Note On: **HB 802** HLS 26RS 646

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 20, 2026 3:00 PM	<b>Author:</b> MCMAKIN
<b>Dept./Agy.:</b> Treasury, Dept. of Revenue	<b>Analyst:</b> Mimi Blanchard
<b>Subject:</b> Watershed Restoration & Conservation Fund	

WATER/RESOURCES OR -\$764,699 GF RV See Note  
Provides with respect to the management of watershed restoration

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Current Constitution allocates 1/5 or 20% of severance tax collections other than lignite, sulfur and timber to the parish governing authority in which the severance occurs up to a constitutional cap. The current cap is \$850,000 per parish, growing annually by the change in calendar year CPI-U from the previous year as adopted by the REC. Current Constitution contains a trigger increasing the cap to \$1.85 M in the first year actual state severance collections exceed the levels of FY 09, increasing to \$2.85 M in the second year and beyond growing by inflation.

Proposed law retains current law, but instead requires remaining portions of sand and stone severance taxes be deposited into the Watershed Restoration and Conservation Fund (created in the bill) rather than to the SGF. Proposed law limits allocations to statutorily created watershed-based entities meeting specified governance and expertise requirements listed in the bill. Proposed law specifies annual reporting requirements due March 1st of each calendar year. 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	<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>
<b>Annual Total</b>						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>(\$764,699)</b>	<b>(\$784,482)</b>	<b>(\$789,212)</b>	<b>(\$797,599)</b>	<b>(\$825,632)</b>	<b>(\$3,961,624)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>\$764,699</b>	<b>\$784,482</b>	<b>\$789,212</b>	<b>\$797,599</b>	<b>\$825,632</b>	<b>\$3,961,624</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law is assumed to increase expenditures out of the newly created Statutory Dedication, the Watershed Restoration and Conservation Fund, in an amount equal to annual deposits into the fund (see Revenue Explanation below). Proposed law does not specify an administrative entity to manage expenditures from the fund, but does authorize that statutorily-created watershed-based entities shall be eligible to receive allocations from the fund provided they meet specified eligibility criteria.

Treasury requires certain resources to create and administer a statutory dedication, as in this bill. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

**REVENUE EXPLANATION**

Proposed law will result in a decrease in SGF revenues averaging approximately \$792,325 from FY 27 to FY 31, and a corresponding increase in statutory dedications to the Watershed Restoration and Conservation Fund (created in the bill). Estimates are calculated using FY 25 actual sand and stone severance tax collections and applying the annual growth rates of severance tax in the current REC. These estimates are shown in the revenue table above. Actual fiscal impact in any given fiscal year will depend on total severance tax collections for that year and totals will vary based on changes in production and prices.

The Coastal Protection and Restoration Authority (CPRA) reports that proposed law is not anticipated to impact revenues to the Coastal Protection and Restoration Fund, as the required constitutional dedication remains unchanged. An additional 2% dedication to the Coastal Protection and Restoration Fund is allowed when mineral revenues exceed required allocations as provided in La R.S. 49:214.5.4, though CPRA reports that this has only been triggered once in the last five years.

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**