

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 890** HLS 26RS 298
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|--|--------------------------------|
| Date: March 26, 2026 3:47 PM | Author: COATES |
| Dept./Agy.: Conservation & Energy, Wildlife & Fisheries, CPRA | Analyst: Mimi Blanchard |
| Subject: Coastal Use Permit Requirements | |

COASTAL RES/COASTAL ZONE OR SEE FISC NOTE GF EX Page 1 of 2
 Imposes additional requirements for certain coastal use permits on Lake Maurepas and Lake Pontchartrain

Current law provides for the Department of Conservation and Energy (C&E) to regulate activities within the coastal zone through the issuance of coastal use permits.

Proposed law establishes additional requirements for coastal use permit applications involving pipeline trenching or burial, platform construction or anchoring systems, dredging or sediment displacement, or geophysical or seismic survey activities occurring in, on, or beneath submerged lands of Lake Maurepas and Lake Pontchartrain. Proposed law requires applicants to provide specified scientific documentation and requires C&E to make written findings that such activities minimize disturbance of submerged lands and will not result in permanent alteration of lake bottom contours, harmful sediment contamination, or long-term impacts to sediment transport or benthic productivity. Proposed law also requires independent scientific review of permit applications, at least one public hearing prior to permit issuance, and maintenance of an administrative record supporting C&E's final determination. Proposed law applies to permit applications for which a final permit has not been issued as of the effective date.

| EXPENDITURES | 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 | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| 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. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Annual Total

EXPENDITURE EXPLANATION

The Department of Conservation and Energy (C&E) reports that two additional positions will be required for independent scientific review of each application (estimated at 2 applications per year), with salary and related benefits of \$180,194 in FY 27, increasing in FY 28 and beyond by a 3% annual market rate adjustment for each position. C&E further reports that, depending on the level of technical evaluation required, contracts for outside subject matter experts may be required at an estimated cost of \$200,000 to \$500,000 per application. These costs are speculative and not included in the expenditure table above for the purposes of this fiscal note.

**Note: The LFO is unable to corroborate the estimated staffing level, operating expenses, and contract costs projected by C&E. While the LFO acknowledges that proposed law will result in increased workload for C&E, to the extent the required staffing levels may be lower or higher, corresponding operating costs would shift accordingly. To the extent that a portion or all of the prescribed duties can be absorbed by existing staff and resources, a portion of the projected costs may be mitigated. Should additional information regarding estimated expenditures become available, this fiscal note will be updated.*

Proposed law requires C&E to create and administer a restricted escrow account to pay independent scientific reviewers selected by the department. Applicants are to deposit funds sufficient to cover costs of the independent scientific review into the escrow account, represented as the increase in 'Other Funds' in the expenditure table above. Expenditures out of the escrow account are unable to be estimated at this time, as they are dependent on the number of reviewers needed, job titles, qualifications, and associated salaries or hourly rates.

**Note: C&E reports that they are unclear as to whether expenses for C&E staff permit application review time can be paid out of the escrow account. LFO believes that the bill does not authorize the use of monies in the escrow account for this purpose, as independent scientific reviewers are required by proposed law to be neutral experts. If monies in the escrow account cannot be used, SGF will be required.*

SEE CONTINUED EXPENDITURE EXPLANATION ON PAGE 2.

REVENUE EXPLANATION

Revenues to the escrow account established by C&E will be indeterminably increased by the cost of the independent scientific review of each application, represented as 'Other Funds' in the revenue table above. CPRA reports that to the extent the additional permitting requirements established in proposed law affect project participation in the Lake Maurepas or Lake Pontchartrain areas, associated revenues from coastal use permit application fees deposited into the Coastal Resources Trust Dedicated Fund Account may be impacted.

| | | |
|--|----------------------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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CONTINUED EXPLANATION from page one:

CONTINUED EXPENDITURE EXPLANATION

C&E additionally reports total expenditures of \$3,009 annually, associated with public hearing costs for coastal use permit applications affecting Lake Maurepas and Lake Pontchartrain, which can be absorbed within their existing budget authority. C&E estimates holding one hearing per year. Public hearings are required to be held in the parish in which the project is located, assumed for purposes of this estimate to occur in St. John the Baptist Parish. Court reporter costs are estimated at \$730 calculated at \$15 per hour (assumed to require a full 8-hour day per hearing) plus a \$50 daily administrative fee, with transcript preparation estimated at \$8 per page for approximately 70 pages. The cost of venue rental is estimated at \$1,000. C&E reports that staff required for the hearing include nine existing positions: five Coastal Resources Scientist 3 positions, one Coastal Resources Scientist Supervisor, one Coastal Resources Manager, one Coastal Resources Administrator, and one Attorney 4. The newly created Coastal Resources Scientist 4 position will also be required to attend the public hearing. Salaries and related benefits of the existing positions are not included in the cost estimate, however; additional travel costs, estimated at approximately \$1,279 per year for fuel for 3 state vehicles. Expenditures for the new position are accounted for on page 1.

The Coastal Protection and Restoration Authority (CPRA) reports that proposed law may result in an indeterminable increase in expenditures out of the Coastal Protection and Restoration Fund for projects located within Lake Maurepas or Lake Pontchartrain to the extent that permits for such projects are subject to the additional documentation, review, and permitting requirements. CPRA reports that there are three projects currently in progress in these areas that may be impacted, with potential increased project costs associated with the need for alternative sediment borrow sites or additional transport of materials.

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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