

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 249** SLS 17RS 739
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 5, 2017 6:50 AM	Author: CHABERT
Dept./Agy.: Coastal Protection and Restoration	
Subject: Dedicates revenue received via the Gulf of Mexico Energy	Analyst: Willis Brewer

FUNDS/FUNDING EG1 NO IMPACT See Note Page 1 of 1

Dedicates certain revenue received by the state from the federal government via the Gulf of Mexico Energy and Security Act. (7/1/17)

Proposed law provides that, beginning with FY 2022, a portion of the total federal revenues received by the state generated from Outer Continental Shelf oil and gas activity shall be allocated solely for hurricane protection projects, including operation and maintenance, that are included in or consistent with the master plan as follows: (i) For FY 2022 through 2024, a minimum of forty percent; (ii) For FY 2025 through 2027, a minimum of forty-five percent; (iii) For FY 2028 and subsequent fiscal years, a minimum of fifty percent.

Proposed law further provides that, if the total federal revenues received by the state generated from Outer Continental Shelf oil and gas activity are less than one hundred million dollars in any fiscal year, then the minimum allocations shall not apply. The Coastal Protection and Restoration Authority may offset the funds allocated for hurricane protection projects as provided in Subparagraph (a) of this Paragraph with funds from other available sources. In the event the Coastal Protection and Restoration Authority is unable to meet the allocations as provided in Subparagraph (a) of this Paragraph in any fiscal year, the authority may modify the allocation for that fiscal year. No modification shall be made without prior approval of the Coastal Protection and Restoration Authority Board and the Joint Legislative Committee on the Budget.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	SEE BELOW	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0		\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

The proposed law dedicates dollars from the Gulf of Mexico Energy Security Act (GOMESA) revenues for hurricane protection projects that are consistent with Coastal Protection and Restoration Authority (CPRA) master plan. According to CPRA, the anticipated GOMESA revenue in FY 19 is \$140 M. Assuming this amount remains constant, this legislation will dedicate for hurricane protection projects \$56 M (40%) of GOMESA revenues in FY 22 - 24, \$63 M (45%) of GOMESA revenues in FY 25 - FY 27, \$70 M (50%) of GOMESA revenues in FY 28 and beyond.

REVENUE EXPLANATION

There is no anticipated direct material effect on the Gulf of Mexico Energy Security Act (GOMESA) revenues Coastal Protection and Restoration Authority (CPRA) will receive.

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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