

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 3** SLS 22RS 4

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 25, 2022	8:16 AM	Author: ALLAIN
Dept./Agy.: Natural Resources/Coastal Protection and Restoration Auth.		Analyst: Kimberly Fruge
Subject: Coastal Zone Management Program		

COASTAL RESOURCES EN SEE FISC NOTE SD RV See Note Page 1 of 1
Provides for distribution of monies collected from enforcement actions of coastal use permits. (8/1/22)

Present law provides for the distribution of monies collected from enforcement actions for uses of state concerns as follows: (1) 50% deposited into the Coastal Resources Trust Fund for reimbursement to the department for the cost of enforcing the coastal zone management program; (2) 25% deposited in the local government's mitigation banks; and (3) 25% deposited in the Wetlands Conservation and Restoration Fund. Proposed law changes the distribution of monies as follows: (1) 75% deposited into the Coastal Protection and Restoration Fund; and (2) 25% deposited in the local government's mitigation banks, or if not mitigation bank, into a restricted fund administered by the parish governing authority of the parish or parishes. Proposed law allows the Department of Natural Resources to deduct the costs of reimbursement for expenses incurred enforcing present law before distributing the monies. Proposed law stipulates that the monies be used for integrated coastal protection, including coastal restoration, hurricane protection, and improving the resiliency of the coastal area.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	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

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed law reallocates the distribution of monies received by CPRA and local governmental entities from enforcement activities. Under present law, 50% is deposited into the Coastal Resources Trust Fund, 25% deposited into local government mitigation banks, and 25% deposited into the Wetland Conservation and Restoration Fund (renamed the Coastal Protection and Restoration Fund in 2005). The proposed law reallocates the 50% from the Coastal Resources Trust Fund into the Coastal Protection and Restoration Fund, which is located in the Department of Natural Resources (DNR). DNR reports the majority of funding in this fund was sent to CPRA to pay for projects under the coastal master plan; therefore, the proposed law does not impact expenditures within DNR. CPRA reports that implementing the proposed law is not anticipated to impact expenditures.

REVENUE EXPLANATION

The proposed law reallocates the distribution of monies received by the state and local governmental entities from enforcement activities, including transferring monies that would currently be deposited into the statutorily dedicated Coastal Resources Trust Fund into the Coastal Protection and Restoration Fund instead. To the extent that any monies are collected from coastal zone lawsuits and deposited as required under this measure, the proposed law may increase statutory dedications revenues. The timing, amount, and event of such collections are indeterminable. The proposed law does not change existing sources of revenue or create any new sources of revenue.

Monies in the Coastal Resources Trust Fund are from permit application fees collected by the Department of Natural Resources (DNR). As of 3/17/2022, the fund balance in the Coastal Resources Trust Fund is \$10.26 M. In FY 22, DNR has \$5.75 M budgeted from the Coastal Resources Trust Fund and \$1.475 M of that \$5.75 M will be transferred to CPRA. The remaining balance in the Coastal Resource Trust Fund, approximately \$5 M, will be transferred to CPRA in FY 23. Since the proposed law does not change the present law that allows expenses incurred by DNR to be deducted before depositing funds into Coastal Protection and Restoration Fund and the majority of the funds are transferred to CPRA, this measure does not impact DNR.

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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