



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 670** HLS 26RS 180
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|--|------------------------------|
| Date: March 6, 2026 12:42 PM | Author: OWEN, CHARLES |
| Dept./Agy.: Louisiana Economic Development | |
| Subject: LED Prioritizing Wood Pellet Manufacturing | Analyst: Noah O'Dell |

ECONOMIC DEVELOPMENT OR INCREASE GF EX See Note Page 1 of 1
 Provides relative to wood pellet manufacturing

Proposed law requires Louisiana Economic Development (LED) to establish wood pellet manufacturing as a priority industry. LED is required to promulgate rules and regulations including but not limited to: 1) Prioritizing and enhancing job creation incentives for wood pellet manufacturing facilities; 2) Establish workforce development and training initiatives for the industry; 3) Prioritizing wood pellet cargo for loading, docking, and processing at state ports; 4) Establishing site readiness criteria for wood pellet manufacturing; 5) Provide clear regulatory pathways for the industry.

Effective August 1, 2026.

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

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase SGF expenditures within Louisiana Economic Development (LED) by an indeterminable amount beginning in FY 27. The bill requires LED to promulgate rules to prioritize and enhance job creation incentives, establish workforce development and training initiatives, prioritize transit at state port facilities, establish site readiness criteria, and provide clear regulatory pathways for wood pellet manufacturers. Implementation of these requirements is expected to increase SGF (and potentially statutory dedication) expenditures relative to the baseline budget.

LED approximates one-time costs of up to \$250,000 SGF in FY 27 to hire an external consulting firm to conduct research and industry analysis to support rule promulgation and program design. The agency's 2025 comprehensive statewide strategic plan, *Positioning Louisiana to Win*, identifies seven priority sectors for the state to target to accelerate economic growth in asset-based industries. While wood pellet manufacturing is not specifically identified as a priority sector, LED indicates that the industry would likely fall under the broader Energy and Process Industries category.

LFO is unable to estimate the increase in expenditures associated with programs and incentives offered by LED to wood pellet manufacturers. **The ultimate fiscal impact of the bill will depend on the rules promulgated by LED, which will determine the scope of programming and incentives available to wood pellet manufacturers.** To the extent existing LED programs (such as the Certified Sites Program (Fast Sites), FastStart, and the High Impact Job Program) are modified to extend eligibility to wood pellet manufacturers that would not otherwise qualify, utilization of those programs and associated expenditures (SGF or statutory dedications) may increase as a result of the bill. If new programs and incentives are developed specifically for wood pellet manufacturers, LED would likely incur additional expenditures, the size of which would depend on the rules promulgated.

LFO cannot independently corroborate the estimated consulting cost. LFO, at a minimum, assumes certain administrative costs would be necessary to implement provisions related to regulatory pathways, preferential treatment for transit at state port facilities, and other economic development initiatives for wood pellet manufacturers.

REVENUE EXPLANATION

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

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