



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 500** HLS 26RS 300
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 9, 2026 2:56 PM	Author: MCCORMICK
Dept./Agy.: Conservation & Energy	Analyst: Mimi Blanchard
Subject: Non-Consenting Mineral Interest Owner Compensation	

ENERGY OR SEE FISC NOTE GF RV Page 1 of 1
 Provides relative to nonconsenting mineral interest owners within a carbon dioxide storage unit

Current law: Requires unitization orders to provide for just and equitable compensation to all owners in interest and to specify a method for determining the distribution of benefits.

Proposed law requires unit operators to either compensate non-consenting mineral owners for the value of stranded minerals beneath the unit or reimburse them for material costs incurred to drill through the unit.

Effective August 1, 2026.

EXPENDITURES	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

REVENUES	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	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW					
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. All potential expenditures required of the Department of Conservation and Energy (C&E) will be reimbursed by the CCS operators.

REVENUE EXPLANATION

Proposed law requires unit operators to compensate non-consenting mineral interest owners for stranded minerals or reimburse them for department-required drilling costs. C&E reports that the proposed law may affect the economic viability of CCS project participation in Louisiana due to cost considerations. To the extent that participation rates in CCS projects on state-owned lands and water bottoms are affected by the proposed compensation changes, there may be a corresponding impact on state and local revenues, as lease payments generated under state storage agreements adjust to a higher or lower parity rate. Any potential fiscal effect would depend on whether projects proceed and how new units are structured.

There are currently 99 pending Class VI well applications associated with 30 projects statewide. Each Class VI injection well has a one-time application fee of \$100,000, plus \$10,000 for each additional well at a storage facility with total fees capped at \$200,000 for the initial filing. Additionally, a periodic area of review filing fee of \$25,000 is collected within 5 years of first injection. All of these fees are deposited into the Carbon Dioxide Geologic Storage Trust Fund to support regulatory oversight by C&E.

Bonus or lease revenue from Class VI carbon capture and storage (CCS) projects are allocated 40% to the State General Fund, 30% to the Mineral and Energy Operation Fund, and 30% to the parish or parishes (split according to share of acreage) where the injection well is located. For projects located within Wildlife Management Areas (WMAs) regulated by the Louisiana Department of Wildlife and Fisheries (LDWF), 100% of the CCS revenue is directed to LDWF for the management of the WMA. Private landowners in parishes in which wells are located may receive royalty payments if their land is included in a unitized storage area, depending on the terms of the operating agreement.

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