



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 507** HLS 26RS 283
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 9, 2026 3:46 PM	Author: MCCORMICK
Dept./Agy.: Conservation & Energy	Analyst: Mimi Blanchard
Subject: Civil Liability Limits for Carbon Dioxide Sequestration	

ENERGY OR SEE FISC NOTE SG RV Page 1 of 1
 Repeals liability limits related to carbon dioxide sequestration and transmission

Current law provides that in a civil liability action against the owner or operator of a storage facility, a carbon dioxide transmission pipeline, or the generator of the carbon dioxide handled by the facility or pipeline, compensatory damages for non-economic loss may not exceed \$250,000 per person. The limit increases to \$500,000 per person in cases of wrongful death or permanent life-altering disfigurement or injury. If the \$250,000 limitation is determined to be unconstitutional or otherwise invalid, non-economic damages may not exceed \$1 M per person.

Proposed law repeals the civil liability limits set in current law.

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.

REVENUE EXPLANATION

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

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.

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