



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 820** HLS 26RS 512
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 9, 2026 4:48 PM	Author: FARNUM
Dept./Agy.: Conservation & Energy	Analyst: Mimi Blanchard
Subject: Tracking & Reporting of CO ₂ Transported by Pipeline	

ENERGY/PIPELINES OR SEE FISC NOTE SD RV Page 1 of 1
 Requires tracking of carbon dioxide transported by pipeline

Proposed law requires all transporters of carbon dioxide (CO₂) to utilize a manifest system to track the movement of CO₂ via pipeline. Manifests must contain the identification and location of the CO₂ generator, each transporter, the end user, destination site, and volume transported, along with any additional requirements that the secretary of the Department of Conservation and Energy (C&E) may prescribe. Proposed law requires manifests to be maintained for no less than 10 years, with penalties for failure to create and maintain the manifest of up to \$200,000 per day. Penalties of up to \$200,000 per day may be additionally charged should a manifest indicate an end use or purpose other than that specified under the certificate of public convenience and necessity issued by C&E, in addition to possible revocation of any permits issued.

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	SEE BELOW	SEE BELOW	\$138,460	\$143,998	\$149,758	\$432,216
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total			\$138,460	\$143,998	\$149,758	\$432,216

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

Proposed law will result in an increase in expenditures from the Carbon Dioxide Geologic Storage Trust Fund of \$138,460 in FY 29 and beyond for salary (\$91,770) and related benefits (\$46,690) for one Petroleum Scientist 1-3 position to conduct audits and enforcement activities, subject to annual market rate adjustments. C&E reports that compliance oversight and inspections can be absorbed within existing staff for the first two to three years, with the additional position anticipated as project volume increases. LFO believes that a \$2,500 cost of publishing rules related to proposed law can be absorbed.

REVENUE EXPLANATION

Penalty fines (up to \$200,000 per day per violation) related to the creation and maintenance of the manifest system may increase revenues to the Carbon Dioxide Geologic Storage Trust Fund, however incidents cannot be foreseen and therefore revenues cannot be quantified in relation to such events. To the extent that violations related to improper end use result in the suspension or revocation of permits issued by C&E, associated revenues from CCS projects will be decreased.

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. The LFO is unclear whether or not applications fees already paid for pending projects would have to be refunded should projects not proceed as a result of proposed law.

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