2022 Regular Session

HOUSE BILL NO. 687

BY REPRESENTATIVE ORGERON

COASTAL RESOURCES: Relative to the disposition of funds derived from alternative energy production in the coastal area

1	AN ACT
2	To amend and reenact R.S. 49:214.5.4(E)(1), (3), (4)(introductory paragraph) and (b), and
3	(5)(a)(introductory paragraph) and (b), and (F) and to enact R.S. 49:214.5.4(K),
4	relative to federal proceeds from alternative energy production in the coastal area;
5	to provide for disposition of revenues; to provide for restrictions on the use of
6	revenues; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 49:214.5.4(E)(1), (3), (4)(introductory paragraph) and (b), and
9	(5)(a)(introductory paragraph) and (b), and (F) are hereby amended and reenacted and R.S.
10	49:214.5.4(K) is hereby enacted to read as follows:
11	§214.5.4. Funding and resource allocation
12	* * *
13	E.(1) Subject to Article VII, Sections 9(B) and 10.1 of the Constitution of
14	Louisiana, in each fiscal year, the federal revenues that are received by the state
15	generated from Outer Continental Shelf energy production, including but not limited
16	to oil and gas activity, wind energy, solar energy, tidal energy, wave energy,
17	geothermal energy, and other alternative or renewable energy production or sources,
18	and eligible, as provided by federal law, to be used for the purposes provided in this

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	Subsection shall be deposited and credited by the treasurer to the Coastal Protection
2	and Restoration Fund.
3	* * *
4	(3) In each year, no more than ten percent of the federal revenues received
5	by the state generated from Outer Continental Shelf oil and gas activity energy
6	production may be used for the purposes of infrastructure directly impacted by
7	coastal wetlands losses.
8	(4) In each fiscal year, at least two hundred thousand dollars but no more
9	than seven percent of the federal revenues received by the state generated from Outer
10	Continental Shelf oil and gas activity energy production may be used for
11	administrative costs or fees. The provisions of this Paragraph shall not apply to the
12	following:
13	* * *
14	(b) Any securitization or other monetizing of all or any portion of the federal
15	revenues received by the state generated from Outer Continental Shelf oil and gas
16	activity energy production.
17	* * *
18	(5)(a) Beginning with Fiscal Year 2022, a portion of the total federal
19	revenues received by the state generated from Outer Continental Shelf oil and gas
20	activity energy production shall be allocated solely for hurricane protection projects,
21	including operation and maintenance, that are included in or consistent with the
22	master plan as follows:
23	* * *
24	(b) If the total federal revenues received by the state generated from Outer
25	Continental Shelf oil and gas activity energy production are less than one hundred
26	million dollars in any fiscal year, then the minimum allocations contained in
27	Subparagraph (a) of this Paragraph shall not apply.
28	* * *

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1	F. The money in the fund shall be invested as provided by law and any
2	earnings realized on investment of money in the fund shall be deposited in and
3	credited to the fund. Revenues derived from integrated coastal protection programs,
4	projects, or activities shall be deposited in and credited to the fund. Money from
5	other sources, such as donations, appropriations, or dedications, may be deposited
6	in and credited to the fund; however, the balance of the fund which, exclusive of
7	federal revenues received as provided for in Subsection E of this Section and state
8	revenues as provided in Subsection K of this Section, consists of mineral revenues
9	from severance taxes, royalty payments, bonus payments, or rentals shall not exceed
10	five hundred million dollars. Any unexpended money remaining in the fund at the
11	end of the fiscal year shall be retained in the fund.
12	* * *
13	K.(1) Subject to Article VII, Sections 9(B) and 10.1 of the Constitution of
14	Louisiana, in each fiscal year, the revenues that are received by the state generated
15	upon state lands or waterbottoms located in the coastal area from alternative or
16	renewable energy production or sources, including but not limited to wind energy,
17	solar energy, tidal energy, wave energy, and geothermal energy, shall be deposited
18	and credited by the treasurer to the Coastal Protection and Restoration Fund.
19	(2) Such revenues shall be used only for the purposes of integrated coastal
20	protection, including but not limited to coastal wetlands conservation, coastal
21	restoration, hurricane protection, or for infrastructure directly impacted by coastal
22	wetlands losses.
23	(3) In each year, no more than ten percent of the revenues received by the
24	state generated upon state lands or waterbottoms located in the coastal area from
25	alternative or renewable energy production or sources, including but not limited to
26	wind energy, solar energy, tidal energy, wave energy, and geothermal energy, may
27	be used for the purposes of infrastructure directly impacted by coastal wetlands
28	losses.

- 1 Section 2. This Act shall take effect and become operative if and when the proposed
- 2 amendment of Article VII, Section 10.2(E)(1) of the Constitution of Louisiana contained in
- 3 the Act which originated as House Bill No. _____ of this 2022 Regular Session of the
- 4 Legislature is adopted at a statewide election and becomes effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 687 Original	2022 Regular Session	Orgeron
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Abstract: Dedicates revenues received from alternative or renewable energy production on the Outer Continental Shelf to the Coastal Protection and Restoration Fund.

<u>Present law</u> requires that the treasurer deposit annually into the Coastal Protection and Restoration Fund the federal revenues received by the state from Outer Continental Shelf oil and gas activity.

<u>Proposed law</u> retains <u>present law</u> requirement and adds federal revenues generated from Outer Continental Shelf alternative or renewable energy production sources.

<u>Present law</u> provides that no more than 10% of the federal revenues received by the state generated from Outer Continental Shelf oil and gas activity may be used for the purposes of infrastructure directly impacted by coastal wetlands losses annually. <u>Proposed law</u> changes <u>present law</u> requirement from revenues generated from oil and gas activities to revenues generated from energy production.

<u>Present law</u> provides that at least \$200,000 but no more than seven percent of the federal revenues received by the state generated from Outer Continental Shelf oil and gas activity may be used for administrative costs or fees annually. <u>Proposed law</u> changes <u>present law</u> requirement from revenues generated from oil and gas activities to revenues generated from energy production.

<u>Present law</u> requires that, beginning with Fiscal Year 2022, a portion of the total federal revenues received by the state generated from Outer Continental Shelf oil and gas activity be allocated solely for hurricane protection projects, including operation and maintenance, that are included in or consistent with the master plan. <u>Proposed law</u> changes <u>present law</u> requirement from revenues generated from oil and gas activities to revenues generated from energy production.

<u>Proposed law</u> provides that the revenues that are received by the state generated upon state lands or waterbottoms located in the coastal area from alternative or renewable energy production or sources must be used only for the purposes of integrated coastal protection, including but not limited to coastal wetlands conservation, coastal restoration, hurricane protection, or for infrastructure directly impacted by coastal wetlands losses.

<u>Propose law</u> further provides that in each year, no more than 10% of the revenues received by the state generated upon state lands or waterbottoms located in the coastal area from alternative or renewable energy production or sources may be used for the purposes of infrastructure directly impacted by coastal wetlands losses.

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Effective only if the proposed amendment to Article VII, Section 10.2(E)(1) contained in the companion bill, House bill _____ of the 2022 Regular Session is adopted at a statewide election and becomes effective.

(Amends R.S. 49:214.5.4(E)(1), (3), (4)(intro para.) and (b), and (5)(a)(intro. para.) and (b), and (F); Adds R.S. 49:214.5.4(K))