

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person Preparing Statement: Michael Peikert Dept.: Natural Resources
Phone: 225-219-3799 Office: Conservation
Return Address: Executive Division Rule Title: General Operations –Office of Conservation
P.O. Box 94275 LAC 43:XI:Chapter 1-47 and LAC 33:
Baton Rouge, LA 70804-9275 Chapters 301-303

Date Rule Takes Effect: Estimated April 2023

SUMMARY
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There are no anticipated implementation costs or savings to state or local governmental units due to the proposed rule change. The proposed rule changes are to amend the Natural Gas and Coal, Damage Prevention and Carbon Dioxide sections, reorganize the affected sections, combine additional state hazardous liquid carbon dioxide rules in Title 43 with Title 33 and update standards incorporated by reference in state only carbon dioxide gas rule in Title 43.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

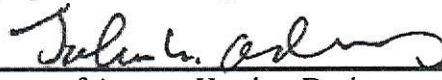
The proposed rule changes are anticipated to have no effect on revenue collections of state and local government units. The proposed rule changes do not impose any new fees or change to existing fees.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

There are no anticipated costs to directly affected persons or non-governmental groups. Operators and excavators are already required to comply with the Damage Prevention requirements of these regulations under LA RS 40:40:1749,11-27. Increased compliance could result in long term benefits to owner/operators in the form of reduced damages. There may be realized beneficial economic impacts to carbon dioxide transporters as geologic sequestration projects are now allowed for the transportation of carbon dioxide. In addition there may also be some beneficial economic impacts to natural gas transporters as changes remove the length restriction, increase pipe size and streamline the hearing process allowing for more timely processing of applications.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will have no effect on competition and employment.


Signature of Agency Head or Designee
John W. Adams For
Richard P. Ieyoub, Commissioner of
Conservation

Typed Name & Title of Agency Head or Designee

1-5-2023
Date of Signature


Legislative Fiscal Officer or Designee

1/5/23
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The proposed rule changes are to amend the Natural Gas and Coal, Damage Prevention and Carbon Dioxide sections, reorganize the affected sections, combine additional state hazardous liquid carbon dioxide rules in Title 43 with Title 33 and update standards incorporated by reference in state only carbon dioxide gas rule in Title 43.

The proposed rule changes are as follows:

- (1) Allows for certificates of public convenience and necessity to be issued to operators of carbon dioxide (CO₂) pipelines serving carbon sequestration projects per the Louisiana Geologic Sequestration of Carbon Dioxide Act.
 - (2) Aligns administrative procedure with various changes to the State's "Dig Laws"
 - (3) Makes various changes to streamline language related to damage prevention and CO₂ regulations.
- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

The proposed rule seeks to implement Act 52 of the 2022 regular legislative session, Act 9 & Act 46 of the 2021 regular legislative session, and Act 61 of 2020. Act 9 makes changes to marking and notification within Damage Prevention. Act 46 defines "normal farming operations" and limitations within the law and indicates actions for inactive pipeline within parishes with certain number of people and specified diameter if the pipeline is to be reactivated. Act 61 gives expropriation rights for CO₂ pipeline serving a geologic sequestration project. Act 52 modifies emergency excavation provisions within Damage Prevention.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No. The proposed rule change will not result in any increase in the expenditure of funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) _____ Yes. If yes, attach documentation.

(b) _____ NO. If no, provide justification as to why this rule change should be published at this time

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

COSTS	FY 23	FY 24	FY 25
Personal Services	\$ 0	\$ 0	\$ 0
Operating Expenses	\$ 0	\$ 0	\$ 0
Professional Services	\$ 0	\$ 0	\$ 0
Other Charges	\$ 0	\$ 0	\$ 0
Equipment	\$ 0	\$ 0	\$ 0
Major Repairs & Constr.	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0	\$ 0
POSITIONS (#)	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

Not applicable. There are no costs or savings to State Agencies resulting from the proposed actions.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 23	FY 24	FY 25
State General Fund	\$ 0	\$ 0	\$ 0
Agency Self-Generated	\$ 0	\$ 0	\$ 0
Dedicated	\$ 0	\$ 0	\$ 0
Federal Funds	\$ 0	\$ 0	\$ 0
Other (Specify)	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0	\$ 0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes, DNR expects no additional funds will be needed and can be implemented by existing staff and equipment.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

The proposed rule amendment is not anticipated to result in costs or savings to local government units.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

Not applicable.

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

REVENUE INCREASE/DECREASE	FY 23	FY 24	FY 25
State General Fund	\$ 0	\$ 0	\$ 0
Agency Self-Generated	\$ 0	\$ 0	\$ 0
Dedicated Funds*	\$ 0	\$ 0	\$ 0
Federal Funds	\$ 0	\$ 0	\$ 0
Local Funds	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0	\$ 0

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

There is no anticipated effect on revenue collections of state and local government units.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS

A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

There are no anticipated costs to directly affected persons or non-governmental groups. Operators and excavators are already required to comply with the Damage Prevention requirements of these regulations under LA RS 40:40:1749,11-27. Increased compliance could result in long term benefits to owner/operators in the form of reduced damages. There may be realized beneficial economic impacts to carbon dioxide transporters as geologic sequestration projects are now allowed for the transportation of carbon dioxide. In addition there may also be some beneficial economic impacts to natural gas transporters as changes remove the length restriction, increase pipe size and streamline the hearing process allowing for more timely processing of applications.

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

There is no anticipated impacts on receipts and/or income resulting from this rule or rule change to these groups.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

There are no anticipated effects on competition and employment resulting from the proposed rule change.