

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

Person

Preparing

Statement:

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Rule

Title:

Pipeline Safety - Liquid Chlorine

LAC 33:V Chapter 30105

Date Rule Takes Effect: Estimated November 2024

SUMMARY

(Use complete sentences)

In accordance with Section 961 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)

The proposed rule change will have no implementation costs, as regulations will be enforced using existing staff. The proposed rule change does not establish any new fees or modify any existing fees, but applies the current fee structure to any liquid chlorine pipeline operators that fall under the state's jurisdiction pursuant to the expanded definition of hazardous liquid under the pipeline safety regulations.

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

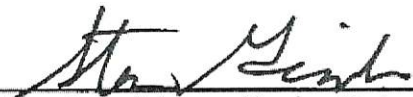
The proposed rule change is anticipated to have a negligible effect on state revenue collections and no effect on local government units. According to a 2015 study by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) on nonpetroleum hazardous liquids transported by pipeline, Louisiana had 6 operators managing 9 chlorine plants. Currently, the Department of Energy and Natural Resources is aware of only one plant actively constructing a pipeline that would be subject to these regulations. The study indicates that liquid chlorine is typically used on-site or transferred by rail tank car, tank truck, or tank barge, rather than by pipeline. All hazardous liquid pipeline operators are subject to a fee of \$44.80 per mile or a minimum of \$800, therefore the increase in revenue from the addition of a limited number of operators will be minimal.

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

The proposed rule change will directly affect liquid chlorine pipeline operators. Operators may experience increased workload due to compliance with testing, operations and maintenance requirements, operator qualification standards and corrosion control measures as outlined in the rule. It is estimated that operators not currently subject to these requirements may incur additional compliance costs of approximately \$200,000 per year.

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

Steven M. Giambrone - Commissioner of
Conservation

Typed Name & Title of Agency Head or Designee

July 18, 2025

Date of Signature



Legislative Fiscal Officer or Designee

7/21/25

Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
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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 change adds chlorine to the definition of a hazardous liquid regulated under the state's pipeline safety program. The proposed rule change will ensure that pipelines transporting liquid chlorine are subject to the same design, construction, and operational safety standards as other hazardous liquid pipelines.

- 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 change addresses a safety gap in current regulations. While chlorine is regulated in its gaseous form by both the U.S. Department of Transportation and the state, it is not currently regulated as a hazardous liquid. However, the safety hazards associated with chlorine are more pronounced in the liquid form due to its high expansion ratio (460:1) and molecular weight (2.5 times heavier than air). The Department of Energy and Natural Resources is currently aware of one plant constructing a pipeline that would fall under this expanded definition.

- 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.

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 26	FY 27	FY 28
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.

The proposed rule change will have no implementation costs, as regulations will be enforced using existing staff. The Department of Energy and Natural Resources is currently aware of only one plant constructing a pipeline that would be subject to regulation under the revised definition, and any additional workload or paperwork is expected to be minimal.

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

SOURCE	FY 26	FY 27	FY 28
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.

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 change 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 26	FY 27	FY 28
State General Fund	\$ 0	\$ 0	\$ 0
Agency Self-Generated	\$ 800	\$ 800	\$ 800
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 are negligible effects on revenue collections of the state and no effect on local government units as a result of the proposed rule change, based on only one known liquid chlorine pipeline (approximately 18 miles long) under construction that would be regulated. A 2015 study of nonpetroleum hazardous liquids transported by pipeline conducted by the U.S. Department of Transportation (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSAA) previously reported that there were 6 chlorine operators with 9 plants in Louisiana producing chlorine gas. According to the study, liquid chlorine is typically used within a facility or transferred via rail tank car, tank truck, or tank barge. All hazardous liquid operators pay \$44.80 per mile or a minimum of \$800, therefore the addition of a limited number of operators will be negligible on revenue collections.

**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.

The proposed rule change will directly affect liquid chlorine pipeline operators subject to Title 33: V.30103. According to a 2015 study by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) on nonpetroleum hazardous liquids transported by pipeline, Louisiana had 6 operators managing 9 chlorine plants. Currently, the Department of Energy and Natural Resources is aware of only one plant actively constructing a pipeline that would be subject to these regulations. Under the proposed rule change, operators will be required to submit an annual report, report accidents and safety related conditions, and file with the National Pipeline Mapping System. Given the safety risks associated with transporting liquid chlorine, pipelines should already be designed, built, tested and operated in accordance with Title 33:V(49 CFR Part 195). However, operators may experience increased workload due to compliance with testing, operations and maintenance requirements, operator qualification standards and corrosion control measures as outlined in the rule. It is estimated that operators not currently subject to these requirements may incur additional compliance costs of approximately \$200,000 per year.

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 are 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.