

SENATE BILL NO. 167

BY SENATOR ALLAIN

1 AN ACT

2 To amend and reenact R.S. 30:86(A), (C), and the introductory paragraph of (E), and to  
3 enact R.S. 30:86(D)(9) and (10) and (E)(7), relative to the Louisiana Oilfield Site  
4 Restoration Fund; to provide for the deposit of monies from the state's allocation of  
5 federal monies to the fund; to provide for the sources and uses of the Oilfield Site  
6 Restoration Fund; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:86(A), (C), and the introductory paragraph of (E) are hereby  
9 amended and reenacted and R.S. 30:86(D)(9) and(10) and (E)(7) are hereby enacted to read  
10 as follows:

11 §86. Oilfield Site Restoration Fund

12 A.(1) There is hereby established a fund in the custody of the state treasurer  
13 to be known as the Oilfield Site Restoration Fund, hereafter referred to as the "fund",  
14 into which the state treasurer shall, each fiscal year, deposit the revenues received  
15 from the collection of the monies enumerated in Subsection D of this Section, after  
16 those revenues have been deposited in the Bond Security and Redemption Fund.

17 (2) Out of the funds remaining in the Bond Security and Redemption Fund,  
18 after a sufficient amount is allocated from that fund to pay all the obligations secured  
19 by the full faith and credit of the state that become due and payable within each fiscal  
20 year, the treasurer shall pay into the Oilfield Site Restoration ~~Trust~~ Fund an amount  
21 equal to the revenues generated from collection of the fees provided for in  
22 Subsection D of this Section. The treasurer shall also transfer into the Oilfield  
23 Site Restoration Fund the amount of thirty million dollars in federal funding  
24 from the first federal funds received by the state for which oilfield site

1 restoration or plugging orphan wells is an allowable use, as determined by the  
 2 Joint Legislative Committee on the Budget. Such funds shall constitute a special  
 3 custodial trust fund which shall be administered by the secretary, who shall make  
 4 disbursements from the fund solely in accordance with the purposes and uses  
 5 authorized by this Part.

6 \* \* \*

7 C. The treasurer of the state of Louisiana shall certify, to the secretary of the  
 8 Department of Revenue, the date on which the balance in the fund equals or exceeds  
 9 fourteen million dollars. The oilfield site restoration fees on oil and gas provided for  
 10 in R.S. 30:87 shall not be collected or required to be paid on or after the first day of  
 11 the second month following the certification, except that the secretary of the  
 12 Department of Revenue shall resume collecting the fees on receipt of a certification  
 13 from the treasurer that, based on the expenditures or commitments to expend monies,  
 14 the fund has fallen below ten million dollars. The secretary of the Department of  
 15 Revenue shall continue collecting the fees until collections are again suspended in  
 16 the manner provided by this Section. The sums in the site-specific trust accounts  
 17 within the fund, the sums collected from financial security instruments required by  
 18 rules and regulations adopted by the assistant secretary pursuant to R.S. 30:4(R) and  
 19 4.3, sums deposited pursuant to Paragraph (D)(9) of this Section, any sums  
 20 deposited from federal appropriations, or any federal grant program  
 21 established by the United States Congress for the purpose of restoring orphan  
 22 oilfield sites, and sums generated from the issuance of bonds pursuant to R.S.  
 23 30:83.1 shall not be counted to determine the balance of the fund for the purposes of  
 24 this Subsection.

25 D. The following monies shall be placed into the Oilfield Site Restoration  
 26 Fund:

27 \* \* \*

28 (9) The sum of thirty million dollars from the first federal funds received  
 29 by the state for which oilfield site restoration or plugging orphan wells is an  
 30 allowable use, as determined by the Joint Legislative Committee on the Budget.

1                   (10) Monies from federal appropriations or any federal grant program  
2                   established by the United States Congress for the purpose of restoring orphan  
3                   oilfield sites.

4                   E. ~~The~~ Except as otherwise provided in this Section, the monies in the fund  
5                   may be disbursed and expended pursuant to the authority and direction of the  
6                   secretary or assistant secretary for the following purposes and uses:

7   \*         \*         \*

8                   (7) Except for the costs of administration of this Part by the Department  
9                   of Natural Resources not exceeding five percent of the federal funds  
10                  appropriated or granted, the monies deposited into the fund pursuant to  
11                  Paragraph (D)(9) of this Section, any other monies deposited from federal  
12                  appropriations, or from federal grant programs authorized by the United States  
13                  Congress for the purpose of restoring orphan oilfield sites, shall be used only for  
14                  the purposes of assessing and restoring orphan oilfield sites. Notwithstanding  
15                  any other requirements in this Part, such monies may be expended by the  
16                  secretary through a contract entered into under any competitive process  
17                  authorized by Title 38 or Title 39 of the Louisiana Revised Statutes of 1950. The  
18                  contract may be awarded to any qualified party regardless as to whether or not  
19                  such party has been approved to be on the list of contractors acceptable to  
20                  conduct site assessment and restoration by the Commission.

21   \*         \*         \*

22                  Section 2. The legislature does hereby find that the oil and gas industry was  
23                  negatively impacted by the Coronavirus Disease 2019 (COVID-19) and the related decrease  
24                  in demand for oil and gas, which led to severe decreases in the price of oil and gas  
25                  worldwide and thereby led to the layoff of many workers in the oil and gas industry. State  
26                  contracts for the restoration of orphan oilfield sites through federal funding is intended to  
27                  create work for oil and gas workers as well as industry. It is the intent of the legislature that  
28                  such work and expenditures of this funding shall provide aid to the oil and gas industry as  
29                  an industry impacted by COVID-19 as required by Section 602(c)(1)(A) of the Social  
30                  Security Act as amended by the American Rescue Plan Act of 2021.

1           Section 3. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_