

2021 Regular Session

SENATE BILL NO. 167

BY SENATOR ALLAIN

FUNDS/FUNDING. Provides for the transfer and use of certain monies to the Oilfield Site and Restoration Fund. (gov sig)

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
5 from the American Rescue Plan Act of 2021; to provide for the sources and uses of
6 the Oilfield Site Restoration Fund; to provide for an effective date; and to provide
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

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

12 §86. Oilfield Site Restoration Fund

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

1 determine the balance of the fund for the purposes of this Subsection.

2 D. The following monies shall be placed into the Oilfield Site Restoration

3 Fund:

4 * * *

5 (9) The sum of thirty million dollars from the first revenues received by
6 the state from the American Rescue Plan Act of 2021.

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

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

13 * * *

14 (7) Except for the costs of administration of this Part by the Department
15 of Natural Resources not exceeding five percent of the federal funds
16 appropriated or granted, the monies deposited into the fund from the American
17 Rescue Plan Act of 2021, any other monies deposited from federal
18 appropriations, or from federal grant programs authorized by the United States
19 Congress for the purpose of restoring orphan oilfield sites, shall be used only for
20 the purposes of assessing and restoring orphan oilfield sites. Notwithstanding
21 any other requirements in this Part, such monies may be expended by the
22 secretary through a contract entered into under any competitive process
23 authorized by Title 38 of the Louisiana Revised Statutes of 1950. The contract
24 may be awarded to any qualified party regardless as to whether or not such
25 party has been approved to be on the list of contractors acceptable to conduct
26 site assessment and restoration by the Commission.

27 * * *

28 Section 2. The legislature does hereby find that the oil and gas industry was
29 negatively impacted by the Coronavirus Disease 2019 (COVID-19) and the related decrease

1 in demand for oil and gas, which led to severe decreases in the price of oil and gas
 2 worldwide and thereby led to the layoff of many workers in the oil and gas industry. State
 3 contracts for the restoration of orphan oilfield sites through funding provided by the
 4 American Rescue Plan Act of 2021 is intended to create work for oil and gas workers as well
 5 as industry. It is the intent of the legislature that such work and expenditures of this funding
 6 shall provide aid to the oil and gas industry as an industry impacted by COVID-19 as
 7 required by Section 602(c)(1)(A) of the Social Security Act as amended by the American
 8 Rescue Plan Act of 2021.

9 Section 3. If it is determined that assessing and restoring orphan oilfield sites is not
 10 an allowable use of American Rescue Plan Act of 2021 funds, any monies transferred to the
 11 Oilfield Site Restoration Fund shall revert to the state treasury to be used for other qualifying
 12 purposes under the American Rescue Plan Act of 2021.

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

The original instrument was prepared by Martha Hess. The following digest,
 which does not constitute a part of the legislative instrument, was prepared
 by Cheryl Serrett.

DIGEST

SB 167 Reengrossed

2021 Regular Session

Allain

Present law establishes the Oilfield Site Restoration Fund used for oilfield site restoration or assessment conducted by the Dept. of Natural Resources for administration of the oilfield site restoration program. Proposed law retains present law.

Proposed law requires the state treasurer to transfer \$30 million from the first funds received by the state from the American Recovery Plan Act of 2021 into the Oilfield Site Restoration Fund and monies from federal appropriations or any federal grant program established by the U.S. Congress for the purpose of restoring orphan oilfield sites.

Proposed law limits the use of these monies to the purposes of assessing and restoring orphan oilfield sites. Provides that an amount not exceeding 5% for administration. Provides monies shall be expended only through contracts entered through the competitive process set by present law.

Present law caps the Oilfield Site Restoration Fund at \$14 million but excludes from the calculation of that cap site-specific trust accounts, financial security instruments not tied to

a specific well or wells, and sums generated from bonds. Proposed law adds \$30 million of the monies deposited to the fund from the state's allocation from the American Recovery Plan Act of 2021, any sums deposited from federal appropriations or any grant program established by the U.S. Congress for the purpose of restoring orphan oilfield sites to the list of funds not used to calculate the cap of the Fund.

Proposed law provides that the legislature finds that the oil and gas industry was negatively impacted by COVID-19 and the related decrease in demand for oil and gas and that the funding of oilfield site restoration will create work for impacted workers.

Proposed law provides that if it is determined that assessing and restoring orphan oilfield sites is not an allowable use of American Recovery Plan Act of 2021 funds, any monies transferred to the Oilfield Site Restoration Fund shall revert to the state treasury to be used for other qualifying purposes under the American Rescue Plan Act of 2021.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 30:86(A), (C), and (E)(intro para); adds R.S. 30:86(D)(9)and (10) and (E)(7))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Technical changes.

Senate Floor Amendments to engrossed bill

1. Clarifies the funds to be transferred to the Oilfield Site Restoration Fund.
2. Clarifies how funds can be expended.
3. Provides for legislative findings.
4. Makes technical changes.