
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Tyler S. McCloud.

DIGEST

SB 245 Original

2022 Regular Session

Allain

Present law creates the Louisiana Oilfield Site Restoration Law to provide for the proper and timely cleanup, closure, and restoration of oilfield sites.

Present law creates the Oilfield Site Restoration Commission within the office of the secretary of the Department of Natural Resources, with powers and duties for both the commission and the secretary, and provides for powers and duties to the assistant secretary of the office of conservation, also referred to as the commissioner of conservation.

Present law authorizes the assistant secretary to conduct site restoration on any site declared to be an orphaned oilfield site and authorizes the secretary or assistant secretary to expend sums from the Oilfield Site Restoration Fund and enter into contracts for the purpose of site restoration.

Proposed law authorizes the secretary to expend sums from the fund and enter contracts for the purpose of orphaned oilfield site restoration. Proposed law authorizes the assistant secretary in response to an emergency to conduct site restoration, expend sums from the fund, and enter into contracts for the purpose of site restoration.

Present law authorizes the assistant secretary, upon a finding of economic justification and with the concurrence of the commission, to authorize the closure and restoration of nonpriority orphaned oilfield sites by lots which are subject to bidding in large packages. Present law limits this authority that such action does not reduce the number of priority sites that can be properly closed and restored in any fiscal year.

Proposed law moves the authority for the closure and restoration of nonpriority orphaned oilfield sites from the assistant secretary to the secretary. Proposed law authorizes the secretary, upon a finding of economic justification, to authorize the closure and restoration of nonpriority orphaned oilfield sites that may be packaged together as projects.

Proposed law provides this authority is used to decrease in a cost effective manner the total number of orphaned wells.

Proposed law authorizes, from administrative costs funding, the secretary to employ personnel necessary for the administration of present law including the appointment of an executive director.

Proposed law authorizes the commission to request from the executive director information regarding their numerated powers. Proposed law also authorizes the commission to request the secretary to review the appointment of the serving executive director upon a two-third vote.

Present law grants the commission any function authorized by present law that is consistent with its purpose. Proposed law limits functions to those not otherwise assigned to the secretary or the assistant secretary.

Proposed law limits the cost of closing and restoring nonpriority orphaned oilfield sites to 20% of the amount expended from the Fund in any fiscal year, unless otherwise approved by the commission. Proposed law excludes from this limitation expenses the sum of \$30 million from the first federal funds received by the state for which oilfield site restoration or plugging orphan wells is an allowable use, monies from federal appropriations or any federal grant program for the purpose of restoring orphan oilfield sites, or emergency response costs.

Present law provides that costs to administer present law shall not exceed \$950,000 each fiscal year. Proposed law provides that monies collected from civil penalties or cost recovered from responsible parties do not count towards this administrative expenditure limit.

Present law authorizes the fund to contribute the balance of the restoration costs for a site if the site-specific trust account for a nonorphan site is depleted if the assistant secretary declares that oilfield site to be an orphaned oilfield site. Proposed law retains present law except requires approval by the commission.

Present law requires a contract for site assessment or site restoration to require a formal bid process.

Present law authorizes an exemption for these contracts from the provisions of the Public Bid Law and the Louisiana Procurement Code if the assistant secretary promulgates rules for contacting procedures. Further, the procedures must be in substantial compliance with the Public Bid Law and shall require a formal bid process.

Present law authorizes the assistant secretary to employ an informal bidding procedure to respond to an emergency in which bids are solicited from at least three bidders. Further, requires these contracts be reviewed prior to execution by the assistant secretary and all informally bid contracts be reviewed by the secretary. Proposed law retains present law.

Proposed law authorizes the secretary through a contract entered into under any competitive process authorized by present law to expend any monies deposited pursuant to the sum of \$30 million from the first federal funds received by the state for which oilfield site restoration or plugging orphan wells is an allowable use or monies from federal appropriations or any federal grant program for the purpose of restoring orphan oilfield sites.

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

(Amends R.S. 30:83(F)(7), 86(E)(2), 89(C)(3), and 92(A) and (C); adds R.S. 30:83(F)(8), 84(A)(3) and (8); repeals R.S. 30:85(B))