2024 Regular Session

SENATE BILL NO. 417

BY SENATOR PRESSLY

FUNDS/FUNDING. Creates the Oil and Gas Severance Subfund in the Parish Transportation Fund. (7/1/24)

1   AN ACT

2   To amend and reenact R.S. 48:751 and to enact R.S. 48:752.1, 752.2, 753.1 and 756.1, to

3   create the Oil and Gas Severance subfund within the Parish Transportation Fund, to

4   provide for composition of the fund; to provide for statutory dedications to the

5   subfund; to provide for use of the subfund; and to provide for the distribution of

6   monies in the subfund; to provide for an effective date; and to provide for related

7   matters.

8   Be it enacted by the Legislature of Louisiana:

9   Section 1. R.S. 48:751 is hereby amended and reenacted and R.S. 48:752.1, 752.2,

10   753.1, and 756.1 are hereby enacted to read as follows:

11   §751. Parish transportation

12   **A.** There is hereby established in the state treasury a special fund to be

13   designated the "Parish Transportation Fund" to consist of the funds and to be used

14   for the purposes hereinafter provided in this Part.

15   **B. There is hereby established within the Parish Transportation Fund**

16   **the "Oil and Gas Severance Subfund" to be used for the purposes hereinafter**

17   **provided in this Part.**

1   *   *   *

2   **§752.1. Composition of the Oil and Gas Severance Subfund**

3   **The state treasurer shall credit to the Oil and Gas Severance Subfund of**

4   **the Parish Transportation Fund created by R.S. 48:751 et seq. funds from the**

5   **avails of state severance taxes on oil and gas in accordance with legislative**

6   **appropriation.**

7   **§752.2. Statutory dedications to the Oil and Gas Severance Subfund**

8   **The legislature shall appropriate on an annual basis to the subfund an**

9   **amount not less than five percent of the total avails from state severance taxes**

10   **on oil and gas.**

11   *   *   *

12   **§753.1. Use of Oil and Gas Severance Subfund**

13   **The monies in the subfund of the Parish Transportation Fund shall be**

14   **used solely to restore and maintain parish roads and bridges that facilitate and**

15   **are affected by operations and activities associated with the oil and gas industry.**

16   *   *   *

17   **§756.1. Distribution formula of the Oil and Gas Severance Subfund**

18   **The monies in the subfund of the Parish Transportation Fund shall be**

19   **distributed on a pro-rata basis to the parishes limited by provisions of Article**

20   **VII, Section 4(D)(3) of the Constitution of Louisiana from retaining the entire**

21   **one-fifth of the total avails of oil and gas severance taxes within such parishes.**

22   Section 2. This Act shall become effective on July 1, 2024; if vetoed by the governor

23   and subsequently approved by the legislature, this Act shall become effective on the day

24   following such approval by the legislature or July 1, 2024, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Danielle Clapinski.

DIGEST
SB 417 Original   2024 Regular Session   Pressly

Present law provides for a special fund in the state treasury designated as the "Parish
Transportation Fund".

Proposed law retains present law and establishes the "Oil and Gas Severance Subfund"
within the Parish Transportation Fund.

Proposed law requires the state treasurer to credit to the subfund monies from the avails of
state severance taxes on oil and gas based on legislative appropriation.

Proposed law requires the legislature to annually appropriate monies to the subfund equal
to at least 5% of the total avails from state severance taxes on oil and gas.

Proposed law requires all monies in the subfund be used to restore and maintain parish roads
and bridges affected by the oil and gas industry.

Proposed law requires distribution of monies in the subfund on a pro-rata basis to parish
subject to limitations contained in Article VII, Section 4(D)(3) of the constitution.

Effective July 1, 2024.

(Amends R.S. 48:751; adds R.S. 48:752.1, 752.2, 753.1, and 756.1)

Coding: Words which are struck through are deletions from existing law;
words in **boldface type and underscored** are additions.