

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

**ACT 277**

Fiscal Note On: **HB 465** HLS 16RS 1073

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:



<b>Date:</b> June 29, 2016 9:22 AM	<b>Author:</b> BISHOP, S.
<b>Dept./Agy.:</b> Department of Natural Resources, Office of Conservation	<b>Analyst:</b> Mason Hess
<b>Subject:</b> Provides for certain fees collected	

CONSERVATION/OFFICE EN NO IMPACT SD RV See Note  
Provides for certain fees collected by the office of conservation

Proposed law eliminates 5 fees established in present law, which are listed below:

Transfer stations regulatory fee for exploration and production waste	\$2,500
Authorization for after-hours disposal of exploration and production waste	\$ 150
Commercial facility transfer station application	\$1,500
Commercial facility annual closure plan and cost estimate review	\$ 300
Commercial facility reuse material applications	\$ 300

Proposed law establishes a monthly fee of 2¢ per barrel of exploration and production waste to be paid by the waste producer(s) from certain facilities. Proposed law prohibits waster from containing brine, produced water, or salvageable hydrocarbons.

<b>EXPENDITURES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

The Department of Natural Resources (DNR) projects that proposed law will be nearly revenue neutral. DNR projects that the repeal of certain fees will result in a loss of revenue totaling \$117,850 to Statutory Dedication - Oil and Gas Regulatory Fund. These revenue losses include a reduction of \$40,000 from the transfer stations regulatory fee for exploration and production waste, \$48,750 from the authorization for after-hours disposal of exploration and production waste, \$1,500 from the commercial facility transfer station application, \$12,600 from the commercial facility annual closure plan and cost estimate review, and \$15,000 from the commercial facility reuse material applications.

Yet, by collecting the proposed fee of 2¢ per barrel on a projected volume of 5,957,500 barrels of waste from off-site commercial facilities, transfer stations to out-of-state treatment and disposal facilities, and off-site waste storage, treatment, and disposal facilities approved for the receipt of exploration and production waste, DNR estimates that it will collect enough revenue to offset the revenue losses from certain repealed fees in proposed law. DNR reports that collections from the 2¢ per barrel of waste will total \$119,150, thus making proposed law almost revenue neutral.

Senate      Dual Referral Rules      House

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|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

*Evan Brasseaux*

**Evan Brasseaux**  
**Staff Director**