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## DIGEST

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HB 814 Engrossed

2018 Regular Session

Jim Morris

**Abstract:** Provides for the funds and use of the Oilfield Site Restoration Fund.

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

Present law creates the Oilfield Site Restoration Commission (commission) within the office of the secretary of the Dept. of Natural Resources. Further provides for the powers of the commission that include providing general administration and management of the Fund and all site-specific trust accounts with no authority to expend, disburse, or invest monies in the fund.

Proposed law includes funds collected from financial security instruments previously tied to a specific well or wells that have since been plugged or are otherwise not tied to a specific well or wells under the general administration and management authority of the commission.

Present law provides for the sources of funds deposited into the Fund that include fees collected on oil and gas production in the state, contributions, interest earned on the monies in the Fund, civil penalties or costs recovered from responsible parties to oilfield site restoration, grants and donations, and site-specific trust accounts.

Proposed law adds as a source to the Fund any sums collected from financial security instruments required by rules and regulations. Proposed law prohibits the use of monies collected from financial security instruments tied to a specific well or wells for any oilfield sites other than those for which the financial security was provided.

Present law caps the Fund at \$14,000,000, but excludes from the calculation of that cap site-specific trust accounts and sums generated from bonds. Proposed law adds financial security instruments not tied to a specific well or wells to the list of funds not used to calculate the cap of the Fund.

Present law requires \$1,000,000 or 20% of the amount appropriated to the fund, whichever is less, be used to plug orphaned wells drilled less than 3000 ft. in the Shreveport and Monroe office of conservation districts for three fiscal years beginning FY 2016-2017 and through the end of FY 2018-2019. Specifies that these monies are subject to being disbursed and expended for any costs associated with response and emergency as provided by present law.

Proposed law extends the use of these funds from FY 2018-2019 to FY 2021-2022.

(Amends R.S. 30:83(F)(6) and 86(C) and (F); Adds R.S. 30:86(D)(8))