

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 814** HLS 18RS 1989

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 8, 2018	11:53 AM	Author: MORRIS, JIM
Dept./Agy.: Natural Resources		Analyst: Willis Brewer
Subject: Provides for the oilfield site restoration program		

ENERGY/OIL & GAS EG +\$4,500,000 SD RV See Note
Provides for the oilfield site restoration program

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. 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. 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.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$4,500,000	INCREASE	INCREASE	INCREASE	INCREASE	\$4,500,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$4,500,000					\$4,500,000

EXPENDITURE EXPLANATION

Proposed legislation will have no impact on state expenditures. Currently, these financial security permits are in DNR's escrow holding account and are transferred to the Oilfield Site Restoration Fund once an applicable expenditure has occurred; therefore, this will have a net zero impact on state expenditures.

REVENUE EXPLANATION

Proposed legislation will increase revenues to the Oilfield Site Restoration Fund from the financial security payments provided by operators to drill a well. These funds are currently in the Office of Conservation's escrow account. According to DNR, there is approximately \$4.5 M in financial security monies that would be transferred into this statutory dedication in FY 19. In subsequent years any additional permits will be directly deposited into this fund.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Evan Brasseaux
Staff Director