

2021 Regular Session

SENATE BILL NO. 167

BY SENATOR ALLAIN

FUNDS/FUNDING. Provides for the transfer and use of funds from the American Rescue Plan Act of 2021 to the Oilfield Site Restoration Fund. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 30:86(A), (C), and the introductory paragraph of (E), and to  
3 enact R.S. 30:86(D)(9) and (E)(7), relative to the Louisiana Oilfield Site Restoration  
4 Fund; to provide for the deposit of monies from the state's allocation from the  
5 American Rescue Plan Act of 2021; to provide for the sources and uses of the  
6 Oilfield Site Restoration Fund; to provide for an effective date; and to provide for  
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 30:86(A), (C), and the introductory paragraph of (E) are hereby  
10 amended and reenacted and R.S. 30:86(D)(9) and (E)(7) are hereby enacted to read as  
11 follows:

12 §86. Oilfield Site Restoration Fund

13 A.(1) There is hereby established a fund in the custody of the state treasurer  
14 to be known as the Oilfield Site Restoration Fund, hereafter referred to as the "fund",  
15 into which the state treasurer shall, each fiscal year, deposit the revenues received  
16 from the collection of the monies enumerated in Subsection D of this Section, after  
17 those revenues have been deposited in the Bond Security and Redemption Fund.

1           (2) Out of the funds remaining in the Bond Security and Redemption Fund,  
2 after a sufficient amount is allocated from that fund to pay all the obligations secured  
3 by the full faith and credit of the state that become due and payable within each fiscal  
4 year, the treasurer shall pay into the Oilfield Site Restoration ~~Trust~~ Fund an amount  
5 equal to the revenues generated from collection of the fees provided for in  
6 Subsection D of this Section. **The treasurer shall also transfer into the Oilfield**  
7 **Site Restoration Fund the amount of thirty million dollars in federal funding**  
8 **from the first funds received by the state from the American Rescue Plan Act**  
9 **of 2021.** Such funds shall constitute a special custodial trust fund which shall be  
10 administered by the secretary, who shall make disbursements from the fund solely  
11 in accordance with the purposes and uses authorized by this Part.

12   \*           \*           \*

13           C. The treasurer of the state of Louisiana shall certify, to the secretary of the  
14 Department of Revenue, the date on which the balance in the fund equals or exceeds  
15 fourteen million dollars. The oilfield site restoration fees on oil and gas provided for  
16 in R.S. 30:87 shall not be collected or required to be paid on or after the first day of  
17 the second month following the certification, except that the secretary of the  
18 Department of Revenue shall resume collecting the fees on receipt of a certification  
19 from the treasurer that, based on the expenditures or commitments to expend monies,  
20 the fund has fallen below ten million dollars. The secretary of the Department of  
21 Revenue shall continue collecting the fees until collections are again suspended in  
22 the manner provided by this Section. The sums in the site-specific trust accounts  
23 within the fund, the sums collected from financial security instruments required by  
24 rules and regulations adopted by the assistant secretary pursuant to R.S. 30:4(R) and  
25 **4.3, sums deposited from the American Rescue Plan Act of 2021 pursuant to**  
26 **Paragraph (D)(9) of this Section,** and sums generated from the issuance of bonds  
27 pursuant to R.S. 30:83.1 shall not be counted to determine the balance of the fund for  
28 the purposes of this Subsection.

29           D. The following monies shall be placed into the Oilfield Site Restoration

1 Fund:

2 \* \* \*

3 **(9) The sum of thirty million dollars from the first revenues received by**  
4 **the state from the American Rescue Plan Act of 2021.**

5 E. ~~The~~ **Except as otherwise provided in this Section, the** monies in the fund  
6 may be disbursed and expended pursuant to the authority and direction of the  
7 secretary or assistant secretary for the following purposes and uses:

8 \* \* \*

9 **(7) The monies deposited into the fund from the American Rescue Plan**  
10 **Act of 2021 shall be used only for the purposes of assessing and restoring**  
11 **orphan oilfield sites.**

12 \* \* \*

13 Section 2. If it is determined that assessing and restoring orphan oilfield sites is not  
14 an allowable use of American Rescue Plan Act of 2021 funds, any monies transferred to the  
15 Oilfield Site Restoration Fund shall revert to the state treasury to be used for other qualifying  
16 purposes under the American Rescue Plan Act of 2021.

17 Section 3. This Act shall become effective upon signature by the governor or, if not  
18 signed by the governor, upon expiration of the time for bills to become law without signature  
19 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
20 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
21 effective on the day following such approval.

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

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Present law establishes the Oilfield Site Restoration 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 retains present law.

Proposed law requires the state treasurer to transfer \$30 million from the first funds received by the state from the American Recovery Plan Act of 2021 into the Oilfield Site Restoration Fund. Proposed law limits the use of these monies to the purposes of assessing and restoring orphan oilfield sites.

Present law caps the Oilfield Site Restoration Fund at \$14 million but excludes from the calculation of that cap site-specific trust accounts, financial security instruments not tied to a specific well or wells, and sums generated from bonds. Proposed law adds \$30 million of the monies deposited to the fund from the state's allocation from the American Recovery Plan Act of 2021 to the list of funds not used to calculate the cap of the Fund.

Proposed law provides that if it is determined that assessing and restoring orphan oilfield sites is not an allowable use of American Recovery Plan Act of 2021 funds, any monies transferred to the Oilfield Site Restoration Fund shall revert to the state treasury to be used for other qualifying purposes under the American Rescue Plan Act of 2021.

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

(Amends R.S. 30:86(A), (C), and (E)(intro para); adds R.S. 30:86(D)(9) and (E)(7))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Technical changes.