SENATE BILL NO. 167

BY SENATOR ALLAIN

1

23

24

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 (10) and (E)(7), relative to the Louisiana Oilfield Site
4	Restoration Fund; to provide for the deposit of monies from the state's allocation of
5	federal monies to the fund; to provide for the sources and uses of the Oilfield Site
6	Restoration Fund; to provide for an effective date; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 30:86(A), (C), and the introductory paragraph of (E) are hereby
9	amended and reenacted and R.S. 30:86(D)(9) and(10) and (E)(7) are hereby enacted to read
10	as follows:
11	§86. Oilfield Site Restoration Fund
12	A.(1) There is hereby established a fund in the custody of the state treasurer
13	to be known as the Oilfield Site Restoration Fund, hereafter referred to as the "fund",
14	into which the state treasurer shall, each fiscal year, deposit the revenues received
15	from the collection of the monies enumerated in Subsection D of this Section, after
16	those revenues have been deposited in the Bond Security and Redemption Fund.
17	(2) Out of the funds remaining in the Bond Security and Redemption Fund
18	after a sufficient amount is allocated from that fund to pay all the obligations secured
19	by the full faith and credit of the state that become due and payable within each fiscal
20	year, the treasurer shall pay into the Oilfield Site Restoration Trust Fund an amount
21	equal to the revenues generated from collection of the fees provided for in
22	Subsection D of this Section. The treasurer shall also transfer into the Oilfield

AN ACT

Site Restoration Fund the amount of thirty million dollars in federal funding

from the first federal funds received by the state for which oilfield site

SB NO. 167 ENROLLED

<u>Joint Legislative Committee on the Budget.</u> Such funds shall constitute a special custodial trust fund which shall be administered by the secretary, who shall make disbursements from the fund solely in accordance with the purposes and uses authorized by this Part.

\* \* \*

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

C. The treasurer of the state of Louisiana shall certify, to the secretary of the Department of Revenue, the date on which the balance in the fund equals or exceeds fourteen million dollars. The oilfield site restoration fees on oil and gas provided for in R.S. 30:87 shall not be collected or required to be paid on or after the first day of the second month following the certification, except that the secretary of the Department of Revenue shall resume collecting the fees on receipt of a certification from the treasurer that, based on the expenditures or commitments to expend monies, the fund has fallen below ten million dollars. The secretary of the Department of Revenue shall continue collecting the fees until collections are again suspended in the manner provided by this Section. The sums in the site-specific trust accounts within the fund, the sums collected from financial security instruments required by rules and regulations adopted by the assistant secretary pursuant to R.S. 30:4(R) and 4.3, sums deposited pursuant to Paragraph (D)(9) of this Section, any sums deposited from federal appropriations, or any federal grant program established by the United States Congress for the purpose of restoring orphan oilfield sites, and sums generated from the issuance of bonds pursuant to R.S. 30:83.1 shall not be counted to determine the balance of the fund for the purposes of this Subsection.

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

\* \* \*

(9) The sum of thirty million dollars from the first federal funds received by the state for which oilfield site restoration or plugging orphan wells is an allowable use, as determined by the Joint Legislative Committee on the Budget.

SB NO. 167 ENROLLED

(10) Monies from federal appropriations or any federal grant progran
established by the United States Congress for the purpose of restoring orphan
oilfield sites.

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

\* \* \*

(7) Except for the costs of administration of this Part by the Department of Natural Resources not exceeding five percent of the federal funds appropriated or granted, the monies deposited into the fund pursuant to Paragraph (D)(9) of this Section, any other monies deposited from federal appropriations, or from federal grant programs authorized by the United States Congress for the purpose of restoring orphan oilfield sites, shall be used only for the purposes of assessing and restoring orphan oilfield sites. Notwithstanding any other requirements in this Part, such monies may be expended by the secretary through a contract entered into under any competitive process authorized by Title 38 or Title 39 of the Louisiana Revised Statutes of 1950. The contract may be awarded to any qualified party regardless as to whether or not such party has been approved to be on the list of contractors acceptable to conduct site assessment and restoration by the Commission.

21 \* \* \*

Section 2. The legislature does hereby find that the oil and gas industry was negatively impacted by the Coronavirus Disease 2019 (COVID-19) and the related decrease in demand for oil and gas, which led to severe decreases in the price of oil and gas worldwide and thereby led to the layoff of many workers in the oil and gas industry. State contracts for the restoration of orphan oilfield sites through federal funding is intended to create work for oil and gas workers as well as industry. It is the intent of the legislature that such work and expenditures of this funding shall provide aid to the oil and gas industry as an industry impacted by COVID-19 as required by Section 602(c)(1)(A) of the Social Security Act as amended by the American Rescue Plan Act of 2021.

Section 3. This Act shall become effective upon signature by the governor or, if not 2 signed by the governor, upon expiration of the time for bills to become law without signature 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval. 5 PRESIDENT OF THE SENATE SPEAKER OF THE HOUSE OF REPRESENTATIVES GOVERNOR OF THE STATE OF LOUISIANA

**ENROLLED** 

**SB NO. 167** 

APPROVED:

1