

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 245** SLS 22RS 86

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 22, 2022 10:03 AM	Author: ALLAIN
Dept./Agy.: Department of Natural Resources	Analyst: Kimberly Fruge
Subject: Executive Director of Oilfield Site Restoration	

NATURAL RESOURCES DEPT EG INCREASE FF EX See Note
Provides for the Orphan Well Program. (gov sig)

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Proposed law allows the Secretary of the Department of Natural Resources to employ, appoint, remove, assign, and promote, from administrative costs, personnel that is necessary for the administration of orphaned wells restoration, including the appointment of an executive director (unclassified).

Proposed law limits the expenditures out of the Oilfield Site Restoration Fund to restore or plug non-priority wells to 20% of the expended amount per year, with the exception of funds from the first \$30 M federal funds received by the state for oilfield site restoration, any federal appropriation for oilfield site restoration, or any emergency response costs. Proposed law also allows the secretary, through a contract entered into under any competitive process authorized under present law, to expend funds from the first \$30 M federal funds received by the state for oilfield site restoration or any federal appropriation for oilfield site restoration.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will likely increase expenditures out of the Oilfield Site Restoration Fund or Federal Funds for the appointment of an executive director. Proposed law gives the Secretary of the Department of Natural Resources (DNR) the ability to appoint an executive director for orphaned wells site restoration or plugging. DNR indicates that an increase in expenditure would depend on the title of the position created and whether the appointment is a current employee of DNR.

To the extent DNR assigns someone currently on staff or hires someone from outside the department, there will be a significant increase in expenditures out of the Oilfield Site Restoration Fund or Federal funds. Assigning an existing employee to this position will likely require DNR to back fill the resulting vacancy.

REVENUE EXPLANATION

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

Senate
 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
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Interim Deputy Fiscal Officer