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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

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DIGEST

SB 495 Engrossed

2022 Regular Session

White

Proposed law creates the oilfield site restoration incentive rebate program through which eligible operators may contract with the Dept. of Natural Resources for a rebate of up to 80% of the cost of plugging a well and associated site restoration costs.

Proposed law provides that the Dept. of Natural Resources will determine eligibility for the rebate program and promulgate any necessary regulations for the implementation of the program.

Proposed law provides for eligibility criteria for the rebate that all must be met including:

- (1) An initial spud date for the plugged well of before Jan. 1, 1990.
- (2) The well is orphaned or has not produced in the last five years.
- (3) The well is properly plugged in accordance with the office of conservation standards.
- (4) The plugged well is located in a field in which there is either current production, or a workover or newly drilled well within 12 months before or after plugging.

Proposed law authorizes payments of the rebate out of current collections of natural resources severance tax.

Proposed law requires the Dept. of Revenue to process rebate applications on forms and in the manner prescribed by the DOR and authorizes the DOR to promulgate any rules necessary to implement the payment of rebates.

Proposed law sunsets the program on June 30, 2026.

Effective January 1, 2023.

(Adds R.S. 47:633.1)