

RÉSUMÉ DIGEST

ACT 10 (SB 245)

2022 Regular Session

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Existing law creates the Louisiana Oilfield Site Restoration Law to provide for the proper and timely cleanup, closure, and restoration of oilfield sites.

Existing law creates the Oilfield Site Restoration Commission within the office of the secretary of the Department of Natural Resources, with powers and duties for both the commission and the secretary, and provides for powers and duties to the assistant secretary of the office of conservation, also referred to as the commissioner of conservation.

Prior law authorized the assistant secretary to conduct site restoration on any site declared to be an orphaned oilfield site and authorized the secretary or assistant secretary to expend sums from the Oilfield Site Restoration Fund (Fund) and enter into contracts for the purpose of site restoration.

New law authorizes the secretary to expend sums from the Fund and enter contracts for the purpose of orphaned oilfield site restoration and provides that the assistant secretary only has such authority under a declared emergency.

Prior law authorized the assistant secretary, upon a finding of economic justification and with the concurrence of the commission, to authorize the closure and restoration of nonpriority orphaned oilfield sites by lots which were subject to bidding in large packages. Prior law limited this authority so that such action does not reduce the number of priority sites that can be properly closed and restored in any fiscal year.

New law moves the authority for the closure and restoration of nonpriority orphaned oilfield sites from the assistant secretary to the secretary. New law authorizes the secretary, upon a finding of economic justification, to authorize the closure and restoration of nonpriority orphaned oilfield sites that may be packaged together as projects.

New law provides this authority is used to decrease in a cost effective manner the total number of orphaned wells.

New law authorizes the secretary, from administrative costs funding, to employ personnel necessary for the administration of existing law including the appointment of an executive director who will be an unclassified employee.

New law authorizes the commission to request from the executive director information regarding the enumerated powers of the commission. New law also authorizes the commission, upon a two-third vote, to request the secretary to review the appointment of the serving executive director.

Prior law granted the commission power to perform any function authorized by existing law or that is consistent with its purpose. New law limits functions to those not otherwise assigned to the secretary or the assistant secretary.

New law limits the cost of closing and restoring nonpriority orphaned oilfield sites to 20% of the amount expended from the Fund in any fiscal year, unless otherwise approved by the commission. New law excludes from this limitation money expended from the sum of \$30 million from the first federal funds received by the state for which oilfield site restoration or plugging orphan wells is an allowable use, monies from federal appropriations or any federal grant program for the purpose of restoring orphan oilfield sites, or emergency response costs.

Existing law provides that costs to administer existing law shall not exceed \$950,000 each fiscal year. New law provides that monies collected from civil penalties or cost recovered from responsible parties do not count towards this administrative expenditure limit.

Prior law authorized the Fund to contribute the balance of restoration costs where the site-specific trust account for a nonorphan site is depleted prior to payment of all costs and the assistant secretary subsequently declares that oilfield site to be orphaned. New law retains prior law but requires approval by the commission.

Existing law requires a contract for site assessment or site restoration to require a formal bid process.

Existing law authorizes an exemption for these contracts from the provisions of the Public Bid Law and the Louisiana Procurement Code if the assistant secretary promulgates rules for contracting procedures. Further, the procedures must be in substantial compliance with the Public Bid Law and require a formal bid process.

Existing law authorizes the assistant secretary, in response to an emergency, to employ an informal bidding procedure in which bids are solicited from at least three bidders. Existing law further requires these contracts to be reviewed prior to execution by the assistant secretary and all informally bid contracts to be reviewed by the secretary.

New law authorizes the secretary, through a contract entered into under any competitive process authorized by existing law, to expend any monies deposited pursuant to the sum of \$30 million from the first federal funds received by the state for which oilfield site restoration or plugging orphan wells is an allowable use or monies from federal appropriations or any federal grant program for the purpose of restoring orphan oilfield sites.

Effective May 13, 2022.

(Amends R.S. 30:83(F)(7), 86(E)(2), 89(C)(3), and 92(A) and (C); adds R.S. 30:83(F)(8), 84(A)(3) and (8); repeals R.S. 30:85(B))