SLS 21RS-403 **ORIGINAL** 

2021 Regular Session

SENATE BILL NO. 167

BY SENATOR ALLAIN

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

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; 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 (E)(7) are hereby enacted to read as
10	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,

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after a sufficient amount is allocated from that fund to pay all the obligations secured by the full faith and credit of the state that become due and payable within each fiscal year, the treasurer shall pay into the Oilfield Site Restoration Trust Fund an amount equal to the revenues generated from collection of the fees provided for in Subsection D of this Section. The treasurer shall also transfer into the Oilfield Site Restoration Fund the amount of thirty million dollars in federal funding from the first funds received by the state from the American Rescue Plan Act. 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.

\* \* \*

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 from the American Rescue Plan Act pursuant to Paragraph (D)(9) of this Section, 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:

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	(9) The sum of thirty million dollars from the first revenues received by	<u>) y</u>
	ne state from the American Rescue Plan Act.	
	E. The Except as otherwise provided in this Section, the monies in the fur	nd
	nay be disbursed and expended pursuant to the authority and direction of the	he
	ecretary or assistant secretary for the following purposes and uses:	
	* * *	
	(7) The monies deposited into the fund from the American Rescue Pla	<u>ın</u>
	hall be used only for the purposes of assessing and restoring orphan oilfiel	<u>ld</u>
	ites.	
	* * *	
	ection 2. If it is determined that assessing and restoring orphan oilfield sites is no	ot
an allov	able use of American Rescue Plan funds, any monies transferred to the Oilfield Si	te
Restora	on Fund shall revert to the state treasury to be used for other qualifying purpose	es
under t	e American Rescue Plan.	
	ection 3. This Act shall become effective upon signature by the governor or, if no	ot
signed	the governor, upon expiration of the time for bills to become law without signature	re
by the	overnor, as provided by Article III, Section 18 of the Constitution of Louisiana.	If
vetoed	y the governor and subsequently approved by the legislature, this Act shall become	ne
effectiv	on the day following such approval.	
	the original instrument and the following digest, which constitutes no part f the legislative instrument, were prepared by Martha S. Hess.	
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<u>Present law</u> 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. <u>Proposed law</u> retains <u>present law</u>.

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

<u>Present law</u> 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. <u>Proposed law</u> adds \$30 million of the monies deposited to the fund from the state's allocation from the American Recovery Plan Act to the list of funds not used to calculate the cap of the Fund.

<u>Proposed law</u> provides that if it is determined that assessing and restoring orphan oilfield sites is not an allowable use of American Recovery Plan 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.

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))