

2020 Second Extraordinary Session

SENATE BILL NO. 25

BY SENATOR ALLAIN

ENVIRONMENTAL CONTROL. Provides for the transfer and use of funds from the Louisiana Main Street Recovery Program to the Oilfield Site Restoration Fund. (gov sig) (Item #19)

1 AN ACT

2 To amend and reenact R.S. 30:86(C) and the introductory paragraph of R.S. 30:86(E), and
3 to enact R.S. 30:86(D)(9) and (E)(7), relative to the Louisiana Oilfield Site
4 Restoration Law; to provide for the deposit of monies from the Louisiana Main
5 Street Recovery Fund; to provide for the uses and sources of the Oilfield Site
6 Restoration Fund; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:86(C) and the introductory paragraph of R.S. 30:86(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 * * *

13 C. The treasurer of the state of Louisiana shall certify, to the secretary of the
14 Department of Revenue, the date on which the balance in the fund equals or exceeds
15 fourteen million dollars. The oilfield site restoration fees on oil and gas provided for
16 in R.S. 30:87 shall not be collected or required to be paid on or after the first day of
17 the second month following the certification, except that the secretary of the

1 Department of Revenue shall resume collecting the fees on receipt of a certification
 2 from the treasurer that, based on the expenditures or commitments to expend monies,
 3 the fund has fallen below ten million dollars. The secretary of the Department of
 4 Revenue shall continue collecting the fees until collections are again suspended in
 5 the manner provided by this Section. The sums in the site-specific trust accounts
 6 within the fund, the sums collected from financial security instruments required by
 7 rules and regulations adopted by the assistant secretary pursuant to R.S. 30:4(R) and
 8 **4.3, sums deposited from the Louisiana Main Street Recovery Fund pursuant**
 9 **to Paragraph (D)(9) of this Section,** and sums generated from the issuance of bonds
 10 pursuant to R.S. 30:83.1 shall not be counted to determine the balance of the fund for
 11 the purposes of this Subsection.

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

14 * * *

15 **(9) A sum of thirty million dollars deposited by the state treasurer from**
 16 **the Louisiana Main Street Recovery Fund created by R.S. 39:100.43.**

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

20 * * *

21 **(7) The monies in the fund deposited from the Louisiana Main Street**
 22 **Recovery Fund shall be used only for the purposes of assessing and restoring**
 23 **orphan oilfield sites.**

24 * * *

25 Section 2. If it is determined that assessing and restoring orphan oilfield sites is not
 26 an allowable use of CARES Act funds, any monies transferred to the Oilfield Site
 27 Restoration Fund shall revert to the Louisiana Main Street Recovery Fund.

28 Section 3. The provisions of this Act shall only apply to any monies in the Louisiana
 29 Main Street Recovery Fund which are unobligated as of the effective date of this Act.

1 Section 4. 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
 5 effective on the day following such approval.

The original instrument was prepared by Tyler S. McCloud. The following digest, which does not constitute a part of the legislative instrument, was prepared by Martha Hess.

DIGEST

SB 25 Engrossed

2020 Second Extraordinary Session

Allain

Present law 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. Proposed law retains present law.

Proposed law requires the state treasurer to deposit \$30 million from the Louisiana Main Street Recovery Fund into the Oilfield Site Restoration Fund. Proposed law limits the use of these monies to the purposes of assessing and restoring orphan oilfield sites.

Present law caps the Oilfield Site Restoration Fund at \$14,000,000 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. Proposed law adds the monies deposited from the Louisiana Main Street Recovery Fund to the list of funds not used to calculate the cap of the Fund.

Proposed law provides that if it is determined that assessing and restoring orphan oilfield sites is not an allowable use of CARES Act funds, any monies transferred to the Oilfield Site Restoration Fund shall revert to the Louisiana Main Street Recovery Fund. Further provides that proposed law shall only apply to any monies in the Louisiana Main Street Recovery Fund which are unobligated as of the effective date of proposed law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 30:86(C) and (E)(intro para); adds R.S. 30:86(D)(9) and (E)(7))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Provides that if it is determined that assessing and restoring orphan oilfield sites is not an allowable use of CARES Act funds, any monies transferred to the Oilfield Site Restoration Fund shall revert to the Louisiana Main Street Recovery Fund.
2. Provides that proposed law shall only apply to any monies in the Louisiana Main Street Recovery Fund which are unobligated as of the effective date of proposed law.