

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 79** SLS 15RS 76

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 27, 2015	1:16 PM	<b>Author:</b> ALLAIN
<b>Dept./Agy.:</b> Natural Resources		<b>Analyst:</b> Drew Danna
<b>Subject:</b> Alternative Dispute Resolution for Oilfield Sites		

MINERALS

EG NO IMPACT See Note

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Provides for alternative dispute resolution for disputes relating to remediation of oilfield sites and exploration and production sites. (8/1/15)

Present law requires notice to the Office of Conservation and the attorney general when litigation or pleadings are amended in a legacy lawsuit. The legacy lawsuit is stayed for 30 days after such notice is issued. Proposed law seeks to require action (to meet and confer to assess dispute, narrow issues, reach certain agreements with regard to litigation) by parties of the lawsuit within 60 days after the end of this stay. Proposed law also provides for court order compelling nonbinding mediation after a specified time and also a specified time before a trial on the merits upon motion of any party.

<b>EXPENDITURES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
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Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>


**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed law does not require any action from the Office of Conservation, as Conservation only acts to evaluate and approve environmental remediation plans proposed after the mediation process has been completed. The proposed legislation also provides for the ability of the court to assign the level of payment required for mediation and other fees among the parties in the lawsuit.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed legislation requires mediation in legacy lawsuits. Legacy lawsuits are suits alleging environmental damage caused by contamination resulting from activities associated with oilfield sites. Such mediation and the deadlines associated with the mediation will not involve the Office of Conservation or affect the revenue attributable to the Office of Conservation.

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|---|----------------------------|--------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                            |              | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}                 |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                            |              | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

  
**John D. Carpenter**  
**Legislative Fiscal Officer**