

2017 Regular Session

HOUSE BILL NO. 98

BY REPRESENTATIVE BISHOP

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ENERGY/OIL & GAS: Repeals the provision tying the Oil Field Site Restoration Fund fee to the payment of severance tax

1 AN ACT

2 To amend and reenact R.S. 30:87(A), (B), and (F) and to repeal R.S. 30:87(D), relative to
3 oilfield site restoration fees; to provide relative to the applicability of the fees; to
4 remove certain references; to repeal the provision that oilfield site restoration fees
5 are proportional to severance tax collected on the production of the well; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:87(A), (B), and (F) are hereby amended and reenacted to read as
9 follows:

10 §87. Oilfield site restoration fees

11 A. There is hereby imposed on crude petroleum produced from producing
12 wells in this state a fee on each barrel of oil and condensate. ~~"Oil" and "condensate"~~
13 ~~shall mean the same such oil and condensate as is taxable under the provisions of~~
14 ~~Part I of Chapter 6 of Subtitle II of Title 47 of the Louisiana Revised Statutes of~~
15 ~~1950.~~ The fee is in addition to any tax imposed pursuant to the Louisiana Revised
16 Statutes of 1950, Title 47. The provisions of Chapters 17 and 18 of Subtitle II of
17 Title 47 of the Louisiana Revised Statutes of 1950 shall apply to the administration,
18 collection, and enforcement of the fee imposed herein, and the penalties provided by
19 that code shall apply to any person who fails to pay or report the fee. ~~Collection of~~
20 ~~the fee shall be suspended in the manner provided by R.S. 30:86(C).~~ Proceeds from
21 the fee, including any penalties collected in connection with the fee, shall be
22 deposited into the Oilfield Site Restoration Fund.

for the oilfield site restoration program in the Dept. of Natural Resources. Present law provides that the fee for oil and condensate is based on the price on July 1st of each year as follows:

- (1) If the price of oil and condensate is at or below \$60/barrel, the fee is 1 and ½ cents/barrel.
- (2) If the price of oil and condensate is between \$60 and \$90/barrel, the fee is 3 cents/barrel.
- (3) If the price of oil and condensate is above \$90/barrel, the fee is 4 and ½ cents/barrel.

In addition, present law sets the fee for natural gas and casing head gas at 3/10ths of one cent/thousand cubic feet.

Proposed law removes certain citations to other laws without repealing those provisions. Proposed law also specifies that the full production rate fee is assessed for all production from oil and gas wells except for production from those that are identified as reduced rate production wells.

Present law further provides that for reduced rate production wells such as stripper wells and incapable wells, the oilfield site restoration fee is reduced by the same proportion as the severance tax reduction provided by statute.

Present law provides that the fees are to be in proportion to the amount of severance tax collected on the well. Proposed law repeals this provision.

Effective July 1, 2017.

(Amends R.S. 30:87(A), (B), and (F); Repeals R.S. 30:87(D))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Natural Resources and Environment to the original bill:

1. Remove certain citations to other laws without repealing those provisions.
2. Specify that the full production rate fee is assessed on all production from oil and gas wells except for production from those that are identified as reduced rate production wells.