

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



Fiscal Note On: **SB 180** SLS 19RS 339

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

**REVISED**

<b>Date:</b> April 29, 2019	8:00 AM	<b>Author:</b> ALLAIN
<b>Dept./Agy.:</b> Natural Resources		<b>Analyst:</b> David Neef
<b>Subject:</b> Oilfield Site Restoration Fund		

MINERALS OR INCREASE GF EX See Note Page 1 of 1  
Provides relative to the recovery of certain monies expended from the Oilfield Site Restoration Fund. (8/1/19)

Present law allows the monies in the Oilfield Site Restoration Fund to be used for certain purposes, including costs associated with response to an emergency. Allows the Secretary to recover certain costs for clean-up, closure, or restoration of oilfield sites. Provides for a cap on the fund after which time certain fees will not be collected or required to be paid by the responsible party. Proposed law requires the Secretary to seek recovery of monies expended for an emergency from the responsible party within six months from disbursement. Requires the Department of Natural Resources to reimburse the fund for expenditures within one year of disbursement. Expands emergency definition to include oilfield site or other facility, structure, or pipeline; removes the cap on the fund.

<b>EXPENDITURES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There will be an increase in the expenditures of DNR to reimburse the Oilfield Site Restoration Fund for costs associated with certain emergencies. DNR has spent in excess of \$2.7 M over the past four years and estimates \$4.7 M will be disbursed in FY19. Since the department has been unsuccessful in obtaining reimbursement for any of these disbursements, it would require state general fund in order to reimburse the fund. Based on the previous five years' expenditures, DNR has estimated an average annual need of \$1.4 M. However, disbursement amounts cannot be projected and based on the number and extent of emergency occurrences, actual costs could be significantly more or less than this amount.

**REVENUE EXPLANATION**

There is an indeterminable impact to the revenues of the department associated with the removal of the cap on the Oilfield Site Restoration Fund. Under the current law, once the fund reaches \$14 M, certain oil and gas fees are no longer collected and deposited into the fund until such time the balance reaches \$10M. The current fund balance is approximately \$5.3 M, thus, repeal of this cap will have no impact at this time.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**