

2019 Regular Session

SENATE BILL NO. 180

BY SENATOR ALLAIN

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

MINERALS. Provides relative to the recovery of certain monies expended from the Oilfield Site Restoration Fund. (8/1/19)

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AN ACT

To amend and reenact R.S. 30:86(E)(5) and the introductory paragraph of 93(A), to enact R.S. 30:93(A)(4), and to repeal R.S. 30:86(E)(2), relative to the Oilfield Site Restoration Fund; to provide for the purposes and uses of the fund; to provide for recovery of site restoration costs; to require reimbursement for monies expended on response costs for an emergency; to repeal the use by the Department of Natural Resources for administration purposes of the oilfield site restoration fees; to provide terms, conditions, and procedures; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 30:86(E)(5) and the introductory paragraph of 93(A) are hereby amended and reenacted and R.S. 30:93(A)(4) is hereby enacted to read as follows:

§86. Oilfield Site Restoration Fund

* * *

E. The monies in the fund may be disbursed and expended pursuant to the authority and direction of the secretary or assistant secretary for the following purposes and uses:

* * *

1 (5) Any costs associated with response to any emergency as provided in R.S.
 2 30:6.1. **The department shall seek to recover from the responsible party any**
 3 **monies disbursed and expended from the fund for any emergency as provided**
 4 **in R.S. 30:6.1 within six months from disbursement. Any monies disbursed and**
 5 **expended from the fund for any emergency as provided in R.S. 30:6.1 shall be**
 6 **reimbursed to the fund by the department within one year from disbursement.**
 7 **However, upon a two-thirds vote of the members of the commission, the**
 8 **department shall not be required to reimburse the fund.**

9 * * *

10 §93. Recovery of site restoration costs

11 A. If the assistant secretary undertakes restoration of an orphaned oilfield site
 12 under this Part **or responds to any emergency as provided in R.S. 30:6.1**, the
 13 secretary shall seek to recover all costs incurred by the secretary, assistant secretary,
 14 penalties, and other relief from any party who has operated or held a working interest
 15 in such site, or who is required by law, rules adopted by the department, or a valid
 16 order of the assistant secretary to control, clean up, close, or restore the oilfield sites
 17 **or other facilities, structures, or pipelines under the commissioner's jurisdiction**
 18 **pursuant to R.S. 30:1 et seq.** in accordance with the following:

19 * * *

20 **(4) For a response to any emergency as provided in R.S. 30:6.1, recovery**
 21 **of costs shall be against the responsible party.**

22 * * *

23 Section 2. R.S. 30:86(E)(2) is hereby repealed.

The original instrument was prepared by J. W. Wiley. The following digest,
 which does not constitute a part of the legislative instrument, was prepared
 by Martha Hess.

DIGEST

SB 180 Engrossed 2019 Regular Session Allain

Present law allows the monies in the Oilfield Site Restoration Fund (fund) to be disbursed and expended pursuant to the authority and direction of the secretary or assistant secretary of the Department of Natural Resources (DNR) for certain purposes and uses, including costs associated with response to an emergency.

Proposed law retains present law and requires the DNR to seek recovery from the responsible party any monies disbursed and expended from the fund for an emergency within six months from disbursement. Further requires the DNR to reimburse the fund any monies disbursed and expended from the fund for an emergency within one year from disbursement. Provides that upon a 2/3's vote of the members of the commission, DNR shall not be required to reimburse the fund.

Present law allows the secretary of the DNR to recover certain costs incurred by the secretary for the control, clean up, closure, or restoration of oilfield sites. Further provides a procedure for the recovery of costs.

Proposed law retains present law and includes costs for responding to an emergency at an oilfield site or other facility, structure, or pipeline under the jurisdiction of the commissioner of conservation to the costs the secretary may recover from the responsible party. Proposed law does not allow DNR to use monies in the fund for administration purposes.

Present law provides certain balance requirements in the fund. When the balance in the fund equals or exceeds \$14 million dollars, the oilfield site restoration fees on oil and gas will not be collected or required to be paid by the responsible party. When the balance in the fund has fallen below \$10 million dollars, the fees will be collected or required to be paid by the responsible party. Proposed law retains present law.

Effective August 1, 2019.

(Amends R.S. 30:86(E)(5) and 93(A)(intro para); adds R.S. 30:93(A)(4); repeals R.S. 30:86(E)(2))

Summary of Amendments Adopted by Senate

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

1. Restores the balance requirements in the fund.
2. Repeals the authorization for DNR to use monies in the fund for administration purposes.
3. Provides that monies disbursed for an emergency must be reimbursed to the fund by DNR within one year from disbursement, unless the commission, by 2/3's vote, does not require DNR to reimburse the fund.