

**HOUSE COMMITTEE AMENDMENTS**

2024 Third Extraordinary Session

Amendments proposed by House Committee on Natural Resources and Environment to Original House Bill No. 23 by Representative Geymann

AMENDMENT NO. 1

On page 1, line 2, after "R.S. 30:81(B)," delete the remainder of the line and delete line 3 in its entirety and insert the following in lieu thereof:

"83(Section heading), (A), and (H), 83.1(A)(1) and (2), (B), and (C), 84(A)(7), 85(A)(4), 86(A)(2), (B), (E)(introductory paragraph), (1), (2), and (5) through (7), (G), and (H), 87(A), (B), and (F)(1), 88(B) and (C), 88.1(C) and (D), 88.2(C), 89(C)(3), 90(Section heading), (A) through (C), and (E)(introductory paragraph) and (5), 91(B)(2)(c), and 95, to enact R.S. 30:82(16), and to repeal R.S. 30:82(3) and 83(B) through (G) and (I),"

AMENDMENT NO. 2

On page 1, line 5, after "to" delete "provide for the authority of" and insert "repeal"

AMENDMENT NO. 3

On page 1, at the beginning of line 7, delete "direct activity of the commission" and insert in lieu thereof "administer the fund"

AMENDMENT NO. 4

On page 1, line 8, after "Board;" insert "to transfer functions of the commission to the trust authority; to provide definitions;"

AMENDMENT NO. 5

On page 1, line 10, after "instruments" and before "to provide" delete "on behalf of the commission"

AMENDMENT NO. 6

On page 1, line 14, after "R.S. 30:81(B)," delete the remainder of the line and delete lines 15 and 16 in their entirety and insert the following in lieu thereof:

"83(Section heading),(A), and (H), 83.1(A)(1) and (2), (B), and (C), 84(A)(7), 85(A)(4), 86(A)(2), (B), (E)(introductory paragraph), (1), (2), and (5) through (7), (G), and (H), 87(A), (B), and (F)(1), 88(B) and (C), 88.1(C) and (D), 88.2(C), 89(C)(3), 90(Section heading), (A) through (C), and (E)(introductory paragraph) and (5), 91(B)(2)(c), and 95 are hereby amended and reenacted and R.S. 30:82(16) is hereby enacted to read as follows:

AMENDMENT NO. 7

On page 2, delete lines 5 through 29 in their entirety and insert the following in lieu thereof:

"§82. Definitions

As used in this Part, the following terms shall have the meanings ascribed to them in this Section, unless the context or use clearly indicates otherwise:

\* \* \*

1 (16) "Trust authority" means the Natural Resources Trust Authority  
2 established pursuant to R.S. 36:356.1.

3 ~~§83. Oilfield Site Restoration Commission~~ site restoration; administration by the  
4 Department of Energy and Natural Resources

5 A. ~~The Oilfield Site Restoration Commission is hereby created within the~~  
6 ~~office of the secretary of the Department of Energy and Natural Resources. The~~  
7 ~~commission shall have the power to sue and be sued and shall be domiciled in the~~  
8 ~~parish of East Baton Rouge. Venue for any suit brought by or against the~~  
9 ~~commission shall be in the Nineteenth Judicial District Court. The Natural~~  
10 ~~Resources Trust Authority, under the direction of the secretary and subject to~~  
11 ~~oversight by the State Mineral and Energy Board pursuant to R.S. 36:356.1, is~~  
12 ~~authorized to perform the following functions related to oilfield site restoration:~~

13 (1) Approve and evaluate a priority list for site restoration annually.

14 (2) Pledge the revenues available to fund authorized purposes and to secure  
15 the issuance of bonds to fund such purposes provided in R.S. 30:83.1, provided that  
16 annual debt service shall not be in excess of fifty percent of the pledged revenues  
17 estimated to be received in the calendar year the bonds are issued.

18 (3) Approve lists of contractors acceptable to conduct site assessment and  
19 site restoration.

20 (4) Approve a cooperative endeavor agreement between the trust authority  
21 and an organization seeking to assist with plugging orphaned wells in order to  
22 alleviate the burden on operators in meeting financial security requirements.

23 (5) Review administration of site restoration activities and review the  
24 adequacy of site restoration assessments and reopen the funding needs and  
25 arrangements for site-specific trust accounts every four years. However, unless the  
26 oilfield site is transferred from one party to another after the adoption of a standard  
27 for evaluation, site-specific trust accounts established prior to the adoption of a  
28 standard for evaluation by the Department of Energy and Natural Resources, office  
29 of conservation shall not be reassessed if the operator of record provides to the office  
30 on an annual basis, utilizing the methodology in use at the time that the site-specific  
31 trust account was established, proof that the security is adequate to ensure proper  
32 closure of the wells upon completion of activity.

33 (6) Provide general administration and management of the Oilfield Site  
34 Restoration Fund, funds collected from financial security instruments previously tied  
35 to a specific well or wells that have since been plugged or are otherwise not tied to  
36 a specific well or wells, and all site-specific trust accounts.

37 (7) Perform any function authorized by this Part or which is consistent with  
38 its purpose and not otherwise assigned by this Part to the secretary or assistant  
39 secretary.

40 \* \* \*

41 H.B. The Department of Energy and Natural Resources shall adopt rules and  
42 regulations, in accordance with the Administrative Procedure Act, to implement the  
43 provisions of this Part and to provide for procedures for site assessments and  
44 restoration.

45 \* \* \*

46 §83.1. Authorization of bonds

47 A.(1) An issuer is authorized to issue bonds pursuant to the provisions of  
48 R.S. 9:2341 through 2347 for the benefit of the ~~commission~~ trust authority, at the  
49 direction of the secretary, to raise funds for authorized purposes in accordance with  
50 the provisions of this Section and the constitutional and statutory provisions  
51 governing the issuance of bonds by such entities.

52 (2) The bonds may be secured by an irrevocable pledge and dedication of  
53 revenues of the ~~commission~~ trust authority, at the direction of the secretary, which  
54 shall consist of all monies deposited in the fund pursuant to R.S. 30:86(D), collected,  
55 derived, or received from the oilfield site restoration fees and penalties imposed  
56 pursuant to R.S. 30:87 or any other lawfully available revenues, if any, to the extent  
57 appropriated, provided that annual debt service shall not be in excess of fifty percent  
58 of the pledged revenues estimated to be received in the calendar year the bonds are  
59 issued, but shall not include site-specific trust account monies as identified in R.S.

30:86(D)(6) and 88. The bonds of the issuer shall be revenue bonds payable solely from the above-described sources, to the extent appropriated and released from the state, and such pledge shall not constitute a pledge of the full faith and credit of the state.

\* \* \*

B.(1) When any bonds have been issued and secured in accordance with the provisions of this Section, neither the ~~commission trust authority~~, nor the department, nor the state, nor any other entity may act to impair any obligation or contract for the benefit of the holders of the bonds or discontinue or decrease any fee, penalties, or other revenue in anticipation of the collection of which the bonds have been issued until all of the bonds have been retired as to principal and interest or irrevocable provision otherwise made for their complete redemption and payment in principal, interest, and redemption premium, if any, and the complete payment of all amounts due under the trust agreement pursuant to which the bonds are issued.

(2) Any pledge of revenues for the security of the bonds shall be valid and binding from the time the pledge is made and shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the state, the department, or the ~~commission trust authority~~ whether or not such parties have notice thereof. Any trust agreement by which a pledge is created need not be filed or recorded."

AMENDMENT NO. 8

On page 3, line 2, after "authorized" and before "to execute" delete "on behalf of the commission"

AMENDMENT NO. 9

On page 3, delete line 11 in its entirety and at the beginning of line 12, delete "the commission" and insert the following in lieu thereof:

"(4) At the direction of the secretary, the ~~commission trust authority~~"

AMENDMENT NO. 10

On page 3, delete lines 15 and 16 in their entirety and insert the following in lieu thereof:

"(5) The department and, at the direction of the secretary, the ~~commission trust authority~~ is authorized to enter into any and all"

AMENDMENT NO. 11

On page 3, between lines 19 and 20, insert the following:

"C. Notwithstanding any provision of law to the contrary, any revenues received by the ~~commission trust authority~~ pledged to the repayment of any bonds issued in accordance with this Section may be collected and disbursed as set forth in the documents providing for the issuance of the bonds or other related documents.

§84. Powers of the secretary

A. The powers of the secretary shall include without limitation the power to do the following:

\* \* \*

(7) The secretary shall maintain all oversight, supervisory, and fiscal responsibility imposed under the provisions of this Part which are not specifically conferred upon the ~~commission trust authority~~.

\* \* \*

§85. Powers of the assistant secretary

1 A. The powers of the assistant secretary shall include without limitation the  
2 power to do the following, subject to the supervision of the secretary:

3 \* \* \*

4 (4) Modify funding requirements of site-specific trust accounts either upon  
5 recommendation of the ~~commission~~ trust authority, the secretary, or upon his own  
6 determination, based upon changes in operation, site conditions, or trust account  
7 status."

8 AMENDMENT NO. 12

9 On page 4, between lines 7 and 8, insert the following:

10 "B. The funds received shall be placed in the special trust fund in the custody  
11 of the state treasurer to be used only in accordance with this Part and shall not be  
12 placed in the general fund. The funds provided to the ~~commission~~ trust authority  
13 pursuant to this Section shall at all times be and remain the property of the  
14 ~~commission~~ trust authority. The funds shall be used only for the purposes set forth  
15 in this Part and for no other governmental purposes. Except for the pledge of the  
16 revenues provided in R.S. 30:83.1, it is the intent of the legislature that this fund and  
17 its increments shall remain intact and inviolate. Any interest or earnings of the fund  
18 shall be credited only to the fund."

19 AMENDMENT NO. 13

20 On page 4, line 17, after "on behalf of the" delete the remainder of the line and at the  
21 beginning of line 18, delete "secretary or the Natural Resources Trust Authority," and insert  
22 "trust authority"

23 AMENDMENT NO. 14

24 On page 4, delete lines 20 and 21 in their entirety and insert the following in lieu thereof:

25 "(2) Upon approval of the ~~commission~~ trust authority, the administration of  
26 this Part by the department in an amount not to exceed nine hundred fifty thousand  
27 dollars each fiscal year. Amounts expended pursuant to Paragraph (4) of this  
28 Subsection shall not count towards the administrative expenditure limitation.

29 \* \* \*

30 (5) Any costs associated with response to any emergency as provided in R.S.  
31 30:6.1 unless directed by the ~~commission~~ trust authority not to expend monies in the  
32 fund pursuant to Subsection G of this Section. The department shall seek to recover  
33 from the responsible party any monies disbursed and spent from the fund for any  
34 emergency as defined in R.S. 30:6.1 within six months of the initial expenditure for  
35 such emergency.

36 (6) Upon approval of the ~~commission~~ trust authority, up"

37 AMENDMENT NO. 15

38 On page 5, at the beginning of line 1, delete "commission" and insert "trust authority"

39 AMENDMENT NO. 16

40 On page 5, delete line 3 and insert the following in lieu thereof:

41 "(7) Except for the costs of administration of this Part by the Department of  
42 Energy and Natural Resources not exceeding the limitations set by the United States  
43 Congress or administering federal agency for the federal funds appropriated or  
44 granted, the monies deposited into the fund pursuant to Paragraphs (D)(9), (10), and  
45 (11) of this Section shall be used only for the purposes of assessing and restoring

1 orphan oilfield sites. Notwithstanding any other requirements in this Part, the  
2 monies may be expended by the secretary through a contract entered into under any  
3 competitive process authorized by Title 38 or 39 of the Louisiana Revised Statutes  
4 of 1950. The contract may be awarded to any qualified party whether or not the  
5 party is on the approved list of contractors acceptable to conduct site assessment and  
6 restoration by the ~~commission trust authority~~.

7 \* \* \*

8 G. Upon declaration of an emergency as defined in R.S. 30:6.1, the assistant  
9 secretary shall notify the ~~commission trust authority~~ and the State Mineral and  
10 Energy Board of the declared emergency. ~~A meeting of the commission shall be~~  
11 ~~held within ninety days after the emergency declaration. At such meeting, the~~  
12 commission Upon notification, the trust authority, in consultation with the State  
13 Mineral and Energy Board, may direct that no monies in the fund be disbursed or  
14 spent for response activity related to the emergency declaration."

15 AMENDMENT NO. 17

16 On page 5, line 12, after "condensate" insert "as provided in this Section"

17 AMENDMENT NO. 18

18 On page 5, line 22, after "fee" delete the remainder of the line and insert "for each thousand"  
19 and on line 23, after "feet" insert "as provided in this Section"

20 AMENDMENT NO. 19

21 On page 6, line 2, after "(1)" and before "Full" delete "(a)"

22 AMENDMENT NO. 20

23 On page 6, line 7, delete the period "." and insert "(a)"

24 AMENDMENT NO. 21

25 On page 6, delete lines 16 and 17 in their entirety and insert the following in lieu thereof:

26 "~~cent per thousand cubic feet~~. as follows:

27 (i) The fee shall be three-tenths of one cent per thousand cubic feet if the  
28 price of gas is at or below two dollars and fifty cents per thousand cubic feet.

29 (ii) The fee shall be four-tenths of one cent per thousand cubic feet if the  
30 price of gas is above two dollars and fifty cents and at or below four dollars and fifty  
31 cents per thousand cubic feet.

32 (iii) The fee shall be five-tenths of one cent per thousand cubic feet if the  
33 price of gas is above four dollars and fifty cents per thousand cubic feet.

34 \* \* \*

35 §88. Oilfield site trust accounts

36 \* \* \*

37 B. In the event the parties to a transfer elect to establish a site-specific trust  
38 account under this Section, the assistant secretary shall require an oilfield site  
39 restoration assessment to be made to determine the site restoration requirements  
40 existing at the time of the transfer, or at the time the site-specific trust account is  
41 established. The oilfield site restoration assessment shall be conducted by approved  
42 site assessment contractors appearing on a list approved by the ~~commission trust~~  
43 authority or acceptable to the ~~commission trust authority~~. The oilfield site  
44 restoration assessment shall specifically detail site restoration needs and shall  
45 provide an estimate of the site restoration costs needed to restore the oilfield site  
46 based on the conditions existing at the time of transfer, or at the time the site-specific  
47 trust account is established.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 C. The party or parties to the transfer shall, based upon the site restoration  
2 assessment, propose a funding schedule which will provide for the site-specific trust  
3 account. The funding schedule shall consider the uniqueness of each transfer,  
4 acquiring party, and oilfield site. Funding of the site-specific trust account shall  
5 include some contribution to the account at the time of transfer and at least quarterly  
6 payments to the account. Cash or bonds in a form and of a type acceptable to the  
7 assistant secretary, or any combination thereof, may also be considered for funding.  
8 The assistant secretary shall monitor each trust account to assure that it is being  
9 properly funded. The funds in each trust account shall remain the property of the  
10 ~~commission~~ trust authority.

11 \* \* \*

12 §88.1. Oilfield site trust accounts for orphaned wells

13 \* \* \*

14 C. Site restoration assessment. When establishing a site-specific trust  
15 account under this Section, the assistant secretary shall require an oilfield site  
16 restoration assessment to be made to determine the site restoration requirements  
17 existing at the time the site-specific trust account is established. The oilfield site  
18 restoration assessment shall be conducted by approved site assessment contractors  
19 appearing on a list approved by the ~~commission~~ trust authority or acceptable to the  
20 ~~commission~~ trust authority. The oilfield site restoration assessment shall specifically  
21 detail the site's restoration needs and shall provide an estimate of the restoration costs  
22 needed to restore the oilfield site based on the conditions existing at the time the  
23 site-specific trust account is established.

24 D. Trust account monitoring. The assistant secretary shall monitor each trust  
25 account to assure that it is being properly funded. The funds in each trust account  
26 shall remain the property of the ~~commission~~ trust authority. In the event that the  
27 site-specific trust account is not funded through the payment of the severance tax due  
28 the state for a period of greater than six months from the date of first production  
29 following designation of the well as part of an orphaned oilfield site, the assistant  
30 secretary shall require financial security in accordance with the office of  
31 conservation's rules and regulations.

32 \* \* \*

33 §88.2. Orphan well rework program

34 \* \* \*

35 C. Trust account monitoring. The assistant secretary shall monitor each trust  
36 account to assure that it is being properly funded. The funds in each trust account  
37 shall remain the property of the ~~commission~~ trust authority. If the site-specific trust  
38 account is not funded through the payment of amounts equal to the severance tax that  
39 would otherwise be due the state for a period of greater than six months from the  
40 date of first production following designation of the well as part of an orphaned  
41 oilfield site, the assistant secretary shall require financial security in accordance with  
42 this Subtitle and the rules and regulations adopted pursuant to this Subtitle including  
43 the exceptions provided in R.S. 30:4(R).

44 \* \* \*

45 §89. Non-orphan site restoration

46 \* \* \*

47 C. For sites restored pursuant to Subsections A and B of this Section, after  
48 site restoration has been completed and approved by the assistant secretary, funds  
49 from the site-specific trust account will be disbursed as follows:

50 \* \* \*

51 (3) If the funds in the site-specific trust account are depleted prior to the  
52 payment of all site restoration costs, and if the assistant secretary subsequently  
53 declares that oilfield site to be an orphaned oilfield site and upon approval of the  
54 ~~commission~~ trust authority, the Oilfield Site Restoration Fund shall contribute the  
55 balance of the restoration costs for that orphaned oilfield site.

56 \* \* \*

57 §90. ~~Commission's~~ Natural Resources Trust Authority annual report to the  
58 legislature

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 A. The ~~commission~~ trust authority shall submit to the Senate Committee on  
2 Natural Resources, the House Committee on Natural Resources and Environment,  
3 and the Senate Committee on Environmental Quality before March first an annual  
4 report that reviews the extent to which the fund has enabled the ~~commission~~ trust  
5 authority to better protect the environment and enhance the income of the Oilfield  
6 Site Restoration Fund.

7 B. The ~~commission~~ trust authority shall generate a three-year plan which  
8 comprehensively addresses a balanced restoration of all oilfield sites in the state.  
9 The three-year plan shall include an inventory of all wells by classification, a  
10 timetable for implementation and completion of site restoration activities and set  
11 forth other goals and objectives of the ~~commission~~ trust authority. The ~~commission~~  
12 trust authority will annually review the status of its three-year plan and shall generate  
13 successive three-year plans as needed.

14 C. The assistant secretary shall furnish the ~~commission~~ trust authority with  
15 semiannual reports that review the efforts of the assistant secretary to assure proper  
16 and timely cleanup, closure, and restoration of oilfield sites.

17 \* \* \*

18 E. The ~~commission's~~ trust authority's annual report to the legislature shall  
19 include:

20 \* \* \*

21 (5) A report on the progress of the ~~commission's~~ trust authority's three-year  
22 plan.

23 \* \* \*

24 §91. Orphaned oilfield sites

25 \* \* \*

26 B.

27 \* \* \*

28 (2)

29 \* \* \*

30 (c) In the event that a lienholder is not properly notified as provided in this  
31 Paragraph, any claim by the holder or holders against the ~~commission~~ trust authority,  
32 Department of Energy and Natural Resources, office of conservation, or the  
33 contractors for the value of the salvaged property shall be limited to the actual cash  
34 value of the salvaged property at the time of salvage.

35 \* \* \*

36 §95. No inference of liability on the part of the state

37 A. Nothing in this Part shall establish or create any liability or responsibility  
38 on the part of the ~~commission~~ trust authority or the state of Louisiana to pay any  
39 costs associated with site restoration from any sources other than the fund created by  
40 R.S. 30:86 or the funds established in connection with the issuance of bonds on  
41 behalf of the ~~commission~~ trust authority, at the direction of the secretary, pursuant  
42 to R.S. 30:83.1 nor shall the ~~commission~~ trust authority or the state of Louisiana  
43 have any liability or responsibility to make any payments for costs associated with  
44 site restoration if the trust created herein is insufficient to do so.

45 B. The secretary, assistant secretary, the ~~commission~~ trust authority, or their  
46 agents, on proper identification, may enter the land of another for purposes of site  
47 assessment or restoration.

48 C. The ~~commission~~ trust authority, the secretary, and the assistant secretary,  
49 and their agents, are not liable for any damages arising from an act or omission if the  
50 act or omission is part of a good faith effort to carry out the purpose of this Part.

51 D. No party contracting with the Department of Energy and Natural  
52 Resources, office of conservation, or the ~~commission~~ trust authority under the  
53 provisions of this Part shall be deemed to be a public employee or an employee  
54 otherwise subject to the provisions of Parts I through IV of Chapter 15 of Title 42 of  
55 the Louisiana Revised Statutes of 1950.

56 Section 2. R.S. 30:82(3), 83(B) through (G) and (I) are hereby repealed in their  
57 entirety.

58 Section 3. The Louisiana State Law Institute is hereby authorized and directed to  
59 alphabetize and renumber the definitions contained in R.S. 30:82 and to correct any cross-

1 references to the renumbered paragraphs if necessary, consistent with the provisions of this  
2 Act."

3 AMENDMENT NO. 22

4 On page 6, at the beginning of line 18, change "Section 2." to "Section 4."