

## **IC 14-37-10**

### **Chapter 10. Oil and Gas Environmental Fund**

#### **IC 14-37-10-1**

##### **"Fund" defined**

Sec. 1. As used in this chapter, "fund" refers to the oil and gas environmental fund established by this chapter.

*As added by P.L.1-1995, SEC.30.*

#### **IC 14-37-10-2**

##### **Establishment and administration of fund**

Sec. 2. The oil and gas environmental fund is established. The department shall administer the fund.

*As added by P.L.1-1995, SEC.30.*

#### **IC 14-37-10-3**

##### **Deposits in fund**

Sec. 3. The following shall be deposited in the fund:

- (1) Annual fees for oil and gas wells received under IC 14-37-5.
- (2) Accrued interest and other investment earnings of the fund.
- (3) Civil penalties collected under IC 14-37-13-3.
- (4) Gifts, grants, donations, or appropriations from any source.

*As added by P.L.1-1995, SEC.30. Amended by P.L.236-2001, SEC.3; P.L.48-2002, SEC.5.*

#### **IC 14-37-10-4**

##### **Amount of money in fund; investments; transfer to state general fund**

Sec. 4. (a) Except as provided in subsection (d), money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) The total amount of money in the fund may not exceed one million five hundred thousand dollars (\$1,500,000). Any amount of money in the fund exceeding one million five hundred thousand dollars (\$1,500,000) on November 1 of a year reverts to the oil and gas fund established by IC 6-8-1-27. The fund must maintain a balance of at least five hundred thousand dollars (\$500,000) as a surety fund for operators who are not required to execute a bond under IC 14-37-6-1. Expenditures that would reduce the fund below five hundred thousand dollars (\$500,000) must be approved by the budget agency.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) If the fund is abolished, all money in the fund is transferred to the state general fund.

(e) The expenses of administering the fund shall be paid from money in the fund. However, the department may not expend more than five percent (5%) of the money in the fund for administering the

fund each state fiscal year.

*As added by P.L.1-1995, SEC.30. Amended by P.L.48-2002, SEC.6.*

#### **IC 14-37-10-5**

##### **Appropriations; emergency expenditures**

Sec. 5. (a) Money paid into the fund shall be appropriated for the following purposes:

- (1) To supplement the cost required to abandon a well that has had a permit revoked under IC 14-37-13-1.
- (2) To cover the costs of remedial plugging and repairing of wells under IC 14-37-8, including the expenses of remedial action under IC 14-37-8-15.
- (3) To cover the cost to:
  - (A) mitigate environmental damage; or
  - (B) protect public safety against harm; caused by a well regulated under this article.
- (4) Pipeline safety.

(b) The director may make expenditures from the fund for emergency purposes under section 6 of this chapter without the prior approval of the budget agency or the governor. An expenditure under this subsection may not exceed fifty thousand dollars (\$50,000).

(c) The director may establish a program to reimburse an applicant for the reasonable expenses of remedial action incurred under IC 14-37-8-15. The director may make expenditures from the fund for this purpose and may establish any necessary guidelines and procedures to administer the program.

*As added by P.L.1-1995, SEC.30. Amended by P.L.236-2001, SEC.4; P.L.150-2011, SEC.17.*

#### **IC 14-37-10-6**

##### **Exhausting other sources of funding before seeking appropriation**

Sec. 6. The department shall make a reasonable effort to exhaust any other sources of funding available for the purposes described in section 5 of this chapter before seeking an appropriation from the fund. If, however, a delay in:

- (1) plugging and repairing a well; or
- (2) mitigating environmental damage as provided under section 5 of this chapter;

poses a hazard to health, safety, or the environment, the department may seek an immediate appropriation from the fund.

*As added by P.L.1-1995, SEC.30.*

#### **IC 14-37-10-7**

##### **Liability of responsible person**

Sec. 7. (a) An expenditure made from the fund under this chapter does not release a responsible person from liability for the purposes described in section 5 of this chapter.

(b) The department may seek reimbursement for expenses incurred under this chapter from a responsible person.

*As added by P.L.1-1995, SEC.30.*