

Department of Planning and Budget
2002 Fiscal Impact Statement

1. Bill Number: HB881

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Phillips

3. Committee: Agriculture, Chesapeake, and Natural Resources

4. Title: Location of drilling gas and oil wells.

5. Summary/Purpose: Add the definitions of "public park" and "publicly owned park" to the definition section of the Virginia Gas and Oil Act and prohibits gas and oil drilling on any land where drilling will adversely affect any publicly owned park, unless approved jointly by the Department of Mines, Minerals and Energy (DMME) and by the agency with jurisdiction over the park.

This bill also prohibits exploration in a park unless the applicant obtains an exploration permit from DMME. An exploration permit may not be issued unless the applicant demonstrates and the Department finds in writing that the exploration will comply with the applicable performance standards of the Act, and that exploration will not adversely affect threatened or endangered species, or listed cultural and historic resources. Drilling beneath public parks, unless the applicant can demonstrate and the Department finds that subsidence will not cause material damage to, or reduce the reasonable foreseeable use of, the park features or facilities, is also prohibited by the proposed legislation.

6. Fiscal Impact Estimates are: Indeterminate. See item 8, below.

7. Budget amendment necessary: No.

8. Fiscal implications: According to DMME, the proposed legislation will have an expenditure impact to the agency. It is anticipated that the legislation will result in increased administrative costs to the agency. These costs are indeterminate, as any expenditure impact is dependant upon the number of exploration permits DMME would review under the provisions of the bill.

9. Specific agency or political subdivisions affected: Departments of Mines, Minerals and Energy, Historic Resources, Conservation and Recreation, and Transportation.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/25/02/tmw

Document: G:\2002Session\Legislation\Dmme\Hb8811.Doc Toni Walker

cc: Secretary of Commerce and Trade
Secretary of Natural Resources
Secretary of Transportation