

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1179

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Phillips

3. Committee: Passed Both Houses

4. Title: Coalbed Methane gas; ownership.

5. Summary: This bill provides that a conveyance, reservation, or exception of coal shall not be deemed to include coalbed methane gas, and that the bill shall not be construed to affect a coal operator's right to vent coal bed methane gas. The provisions of this bill are not to affect any settlement, judgment or governmental order as to the ownership or development of coalbed methane gas made or entered prior to the enactment of this bill. An enactment clause of this bill requires the Auditor of Public Accounts (APA) to conduct an operational and performance review of the accounting policies and procedures for the collection and disbursement of the escrow accounts containing gas royalties from units with unknown or disputed owners. The review is to determine the best practices for the collection and disbursement of funds. The APA is also to notify the Virginia Gas and Oil Board of any errors and submit a report of its findings and recommendations to the Governor and appropriate House and Senate Committees by December 1, 2010. The bill also has an emergency enactment clause.

6. Fiscal Impact Estimates: Final.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: According to the APA, the agency can absorb costs associated with this bill into its work plan and does not require additional funding.

The Department of Mines, Minerals and Energy, the state agency responsible for oversight of the Virginia Gas and Oil Board, states that any costs associated with this bill can be absorbed within existing agency resources.

9. Specific Agency or Political Subdivisions Affected: Department of Mines, Minerals and Energy, Auditor of Public Accounts.

10. Technical Amendment Necessary: No.

11. Other Comments: It is unclear how or if the Uniform Disposition of Unclaimed Property Act (§ 55-210.1, et seq., Title 55, Chapter 11.1 of the Code of Virginia) could apply to this bill.

Also, this bill is identical to the enrolled version of SB376.

Date: 3/22/2010 dpbaek

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