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**SENATE BILL NO. 601**

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee on Finance  
on February 2, 2010)

(Patron Prior to Substitute—Senator Wagner)

*A BILL to amend the Code of Virginia by adding in Chapter 3 of Title 67 a section numbered 67-301, relating to royalties from offshore drilling.*

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Chapter 3 of Title 67 a section numbered 67-301 as follows:**

*§ 67-301. Royalties from offshore natural gas and oil resources.*

*Any revenues and royalties paid to the Commonwealth as a result of offshore natural gas and oil drilling and exploration shall be appropriated and used for the following purposes:*

*1. Seventy percent of such revenues and royalties shall be deposited into the general fund of the state treasury for appropriation by the General Assembly;*

*2. Twenty percent of such revenues and royalties to the Virginia Coastal Energy Research Consortium established pursuant to § 67-600; and*

*3. Ten percent of such revenues and royalties to the localities of the Commonwealth for improvements to infrastructure and transportation.*

**SENATE SUBSTITUTE**

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