

Department of Planning and Budget 2014 Fiscal Impact Statement

1. **Bill Number:** HB155

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

2. **Patron:** Marshall, R.G.

3. **Committee:** Privileges and Elections

4. **Title:** Interstate Offshore Energy Compact established.

5. **Summary:** Creates the Interstate Offshore Energy Compact to secure the right of the member states to execute leases for the production and development of oil and natural gas resources three miles or more off the Atlantic shorelines of their respective states and to suspend the operation of any conflicting federal laws, rules, regulations, and orders within their states. The bill also creates the Interstate Offshore Energy Advisory Commission to study issues related to offshore energy development that are of particular concern and make nonbinding recommendations related to offshore energy policies to the member states for consideration by the legislatures of the member states. The bill provides that the compact becomes effective within a member state upon adoption of the compact by at least two member states and consent of the United States Congress.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Preliminary, see item 8, below.

8. **Fiscal Implications:** The compact would become effective upon the ratification by any two member states and the consent of Congress. As a result, no short term fiscal impacts to the state budget are expected. Any long term fiscal impacts to the state budget are indeterminate. The Commission would be funded by the member states.

9. **Specific Agency or Political Subdivisions Affected:** Department of Mines, Minerals and Energy, Legislative branch.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** HB30/SB30 includes \$250,000 in FY 2014 from the general fund, under the Department of Mines, Minerals, and Energy, for a study on the feasibility of offshore oil and gas development in Virginia. The study will address the concerns raised by the U.S. Department of Interior (DOI) in its decision to exclude Virginia's lease sale 220 from the DOI 2007-12 Outer Continental Shelf (OCS) 5-year plan. The department will report the findings of this study to the Governor, the Secretary of Commerce and Trade, and the Secretary of Natural Resources by April 15, 2015.