

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: SB548

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Puckett

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Coalbed methane; arbitration of conflicting claims of ownership.

5. Summary: Allows a party to appeal an arbitrator's decision to the circuit court and authorizes the court to award attorney fees. Under current law, the circuit court may confirm, vacate, or correct the arbitrator's decision. The bill also requires arbitrators to be retired circuit court judges and provides that arbitration may be requested by any claimant and need not be requested by all claimants.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See item 8, below.

8. Fiscal Implications: This bill allows claimants to ownership of coalbed methane gas to seek arbitration in cases of disputed ownership. Current law requires that all parties must agree to arbitrate. This bill would allow any claimant to seek arbitration. There is the potential that this bill could have a slight fiscal impact on the Department of Mines, Minerals, and Energy (DMME) in terms of the Gas and Oil Board having to process additional requests for arbitration and additional disbursement orders. However, the cost to DMME is indeterminate due to the difficulty in estimating the total number of arbitration and disbursement requests that would be made to the Board. The agency has indicated that, to date, there have been no requests for arbitration.

9. Specific Agency or Political Subdivisions Affected: Department of Mines, Minerals, and Energy, court system.

10. Technical Amendment Necessary: No.

11. Other Comments: None.