

## Department of Planning and Budget

### 2020 Fiscal Impact Statement

**1. Bill Number:** HB706

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

**2. Patron:** Keam

**3. Committee:** Passed both Houses

**4. Title:** Offshore drilling; prohibition on leases; policy.

**5. Summary:** Prohibits the granting of a lease, easement, or permit on the beds of the waters of the Commonwealth that would allow any future infrastructure for conveying oil or gas associated with offshore drilling and removes any oil or gas lease granted on such beds from the mandate that such lease include a royalty payment requirement. The bill removes policy statements supporting federal efforts to permit oil and gas development 50 miles or more off the Atlantic shoreline and provides that the Commonwealth does not endorse offshore gas or oil development and repeals a section of the Code that allocates royalties from offshore natural gas and oil resources to the Virginia Offshore Energy Emergency Response Fund and the general fund.

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

**7. Fiscal Impact Estimates:** Final. See item 8.

**8. Fiscal Implications:** It is anticipated that this bill will not have a fiscal impact on the Marine Resources Commission or the Department of Mines, Minerals and Energy. The Virginia Offshore Energy Emergency Response Fund is administered by the Department of Environmental Quality (DEQ). DEQ anticipates no impact as a result of this bill, as the Virginia Offshore Energy Emergency Response Fund has never been capitalized.

**9. Specific Agency or Political Subdivisions Affected:** Marine Resources Commission; Department of Mines, Minerals and Energy; Department of Environmental Quality.

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

**11. Other Comments:** This bill is a companion to SB795.