

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB2518

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Phillips

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Royalty payments from gas or oil drilling.

5. Summary: This bill provides that property owners with an interest in oil or gas wells whose interest has been force-pooled shall receive a royalty payment of no less than one-eighth the value of production calculated at the point of the first arms-length sale. Such payment shall not be subject to reduction for operating or other costs.

6. Fiscal Impact Estimates: Preliminary.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The Department of Mines, Minerals and Energy estimates that this bill will not result in a fiscal impact on the state.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is identical to the introduced version of SB1204.

Date: 1/27/2009 dpb

Document: G:\FIS\2009 Fiscal Impact Statements\DMME\HB2518.Doc aek

cc: Secretary of Commerce and Trade