

## **Department of Planning and Budget 2009 Fiscal Impact Statement**

**1. Bill Number:** SB1204

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

**2. Patron:**        Puckett

**3. Committee:** Agriculture, Conservation 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 HB2518.

**Date:** 1/27/2009   dpb

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cc: Secretary of Commerce and Trade