Department of Planning and Budget
2010 Fiscal Impact Statement

1. **Bill Number:** SB394

   House of Origin X Introduced ___ Substitute ___ Engrossed

   Second House ___ In Committee ___ Substitute ___ Enrolled

2. **Patron:** Wagner

3. **Committee:** Commerce and Labor

4. **Title:** **Offshore energy resources.**

5. **Summary:** This bill states that it shall be the policy of the Commonwealth to support oil and natural gas exploration, development, and production 50 miles or more off of the coast of Virginia. Currently, the policy is limited to supporting only exploration for natural gas resources 50 miles or more offshore.

6. **Fiscal Impact Estimates:** Indeterminate.

7. **Budget Amendment Necessary:** No.

8. **Fiscal Implications:** This bill makes it the policy of the Commonwealth to support the future exploration, development and production of oil and natural gas 50 miles or more off of the coast of Virginia. While this bill does not result in any direct or immediate fiscal impact to the Commonwealth, insomuch as future production of oil and natural gas should occur, it may result in the future generation and expenditure of state resources. Note that uncertainties exist as to the location and amount of resources available for drilling and that several factors on the federal level would need to align to permit offshore drilling in Virginia and to permit any revenues from this drilling to be allocated to the state. However, should offshore drilling be permitted, should production ensue, and should the Commonwealth be granted a portion of the royalties from this production, a future revenue impact to the state may result.

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

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

11. **Other Comments:** This bill is similar to the engrossed version of HB787.

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