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HOUSE BILL NO. 155

Offered January 8, 2014

Prefiled December 20, 2013

A *BILL to amend the Code of Virginia by adding in Title 67 a chapter numbered 3.1, consisting of a section numbered 67-302, relating to the establishment of the Interstate Offshore Energy Compact.*

 Patron—Marshall, R.G.

 Referred to Committee on Privileges and Elections

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 67 a chapter numbered 3.1, consisting of a section numbered 67-302, as follows:

*CHAPTER 3.1.**INTERSTATE OFFSHORE ENERGY COMPACT.***§ 67-302. Interstate Offshore Energy Compact.**

The Interstate Offshore Energy Compact is hereby enacted into law and entered into with all jurisdictions legally joining therein in the form substantially as follows:

*Article I.**Purpose.*

It is the purpose of this compact to secure the right of the member states to execute leases for the production and development of oil and natural gas resources three miles or more off the Atlantic shorelines of their respective states.

*Article II.**Definitions.*

As used in this compact, unless the context clearly requires a different meaning:

"Commission" means the Interstate Offshore Energy Advisory Commission.

"Effective date" means the date upon which this compact shall become effective for purposes of the operation of state and federal law in a member state, which shall be the later of (i) the date upon which this compact shall be adopted under the laws of the member state or (ii) the date upon which this compact receives the consent of Congress pursuant to Article I, Section 10 of the United States Constitution, after at least two member states adopt this compact.

"Leasing area" means an offshore zone three miles or more off the Atlantic shoreline of a member state that has been assigned to that member state by the Commission for future leasing and was previously assigned to that member state by the U.S. Department of the Interior.

"Member state" means a state, including the Commonwealth of Massachusetts and of Virginia and the Commonwealth of Puerto Rico, or a U.S. territorial possession, that possesses a shoreline on the Atlantic Ocean, is a signatory to this compact, and has adopted this compact under the laws of that member state.

Article III.

Pledge; legislative authority; state control; Congressional consent; amendments; withdrawal and dissolution.

A. The member states shall take joint and separate action to secure the consent of Congress to this compact in order to establish the authority of the member states to execute offshore energy leases consistent with the goals and principles articulated in this compact. The member states shall improve offshore energy policy within their respective jurisdictions and according to the judgment and discretion of each member state.

B. The legislatures of the member states shall have the primary responsibility to regulate energy development three miles or more off the Atlantic shorelines of their respective states.

C. To the extent that the laws of a member state create standards or approve practices that differ from existing federal laws, rules, regulations, and orders regarding the leasing of oil and natural gas resources three miles or more off the Atlantic shoreline, the laws of the member state shall govern within that state and within the offshore area assigned to that state for leasing.

D. This compact shall be effective on its adoption by at least two member states and consent of Congress. This compact shall be effective unless Congress, in consenting to this compact, alters the fundamental purpose of this compact, which is:

To secure the right of the member states to execute leases for the production and development of oil and natural gas resources three miles or more off the Atlantic shorelines of their respective states pursuant to this compact and to suspend the operation of any conflicting federal laws, rules, regulations,

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59 *and orders within their states.*

60 *E. The member states may, by unanimous agreement, amend this compact from time to time without*
61 *the prior consent or approval of Congress, and any amendment shall be effective unless, within one*
62 *year, Congress disapproves that amendment. Any state with a shoreline on the Atlantic Ocean may join*
63 *this compact after the date on which Congress consents to the compact by adoption into law under its*
64 *state constitution.*

65 *F. Any member state may withdraw from this compact by adopting a law to that effect, but no such*
66 *withdrawal shall become effective until six months after the Governor of the withdrawing member state*
67 *has given notice of the withdrawal to the other member states. A withdrawing state shall be liable for*
68 *any obligations that it may have incurred prior to the date on which its withdrawal becomes effective.*
69 *This compact shall be dissolved upon the withdrawal of all but one of the member states.*

70 *Article IV.*

71 *Leasing.*

72 *A. Each member state shall have the right to execute leases for the exploration, extraction,*
73 *processing, production, and refining of oil and natural gas within its leasing area.*

74 *B. In drafting and executing its leases, each member state shall require leasing parties to use the*
75 *best practices of the industry available at the time.*

76 *Article V.*

77 *Interstate Offshore Energy Advisory Commission.*

78 *A. The Interstate Offshore Energy Advisory Commission established pursuant to this compact shall*
79 *consist of members appointed by each member state through a process to be determined by each*
80 *member state. A member state may not appoint more than two members to the Commission and may*
81 *withdraw membership from the Commission at any time. Each Commission member shall have one vote.*
82 *All actions taken by the Commission shall be by majority vote of the members present. A majority of the*
83 *members shall constitute a quorum for the conduct of the Commission's business.*

84 *B. The Commission may elect from among its membership a chairman and may adopt and publish*
85 *bylaws and policies that are not inconsistent with this compact. The Commission shall meet at least one*
86 *time each year and may meet more often at the call of the chairman or whenever the majority of the*
87 *members so request.*

88 *C. The Commission may study issues related to offshore energy development that are of particular*
89 *concern to the member states. The Commission may make nonbinding recommendations to the member*
90 *states for consideration by the legislatures of the member states during determination of appropriate*
91 *offshore energy policies in those states.*

92 *D. The Commission shall collect information and data to assist the member states in their regulation*
93 *of offshore energy development, including compiling information on various state leasing initiatives,*
94 *studying the environmental impact of development, and assessing the performance of*
95 *emergency-response programs. The Commission shall make this information available to the legislatures*
96 *of the member states.*

97 *E. The Commission shall evaluate, where possible, existing federal laws, rules, regulations, and*
98 *orders, in order to determine the degree to which such laws negatively affect the offshore environments*
99 *or the oil and gas markets of the member states.*

100 *F. The Commission shall be funded by the member states as agreed to by the member states. The*
101 *Commission shall have the responsibilities and duties as may be conferred upon it by subsequent action*
102 *of the legislatures of the member states in accordance with the terms of this compact.*

103 *G. The Commission shall not take any action within a member state that contravenes any state law*
104 *of the member state.*