

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB2389

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

2. Patron: Pillion

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Gas or oil drilling units; escrowed proceeds; school board.

5. Summary: Provides that proceeds of certain gas or oil wells, escrowed because the owner's identity and location remain unknown, shall be presumed abandoned and made available to the school board nearest the drilling unit. Current law requires such escrowed proceeds to be disposed of pursuant to the Uniform Disposition of Unclaimed Property Act. The bill also provides that certain escrowed proceeds due to known and locatable claimants of coalbed methane gas wells that were force-pooled prior to July 1, 2015, shall be made available to the local school board when one year has passed and certain other conditions are met.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate.

8. Fiscal Implications: This bill redirects some revenue that could be escheated back to the Commonwealth to local school divisions. It is not possible to estimate the amount of any such revenue.

Also, previously known or unlocatable royalty owners could appear at any time to claim their royalties. This bill does not address the manner in which such a situation may be addressed.

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

10. Technical Amendment Necessary: No.

11. Other Comments: It is unclear how the provisions in this bill comport with Article 8, Section 8 of the Constitution requiring such proceeds to be deposited to the Literary Fund.