

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: SB1271

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

2. Patron: Stuart

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Oil and gas wells; bonding requirements; application notice.

5. Summary: Authorizes a person who applies for a hearing in front of the Virginia Gas and Oil Board to provide required notice of such application to certain gas or oil owners, coal owners, mineral owners, or gas storage field operators by commercial delivery service. Current law provides for delivery only by certified mail. The bill changes the blanket bond amounts that the Director of the Department of Mines, Minerals and Energy may require for an application for permits for gas or oil operations and authorizes additional bonds for any well proposed to be drilled in the Tidewater region.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: Most blanket bonds are held as a Certificate of Deposit (CD) which the Department of Mines, Minerals and Energy (DMME) holds in a safety deposit box. This bill increases the bond amount an operator is required to have and adjusts the threshold ranges. If the company should fail to reclaim a mine and DMME is required to do so, DMME would utilize the bond to cover the costs. It is anticipated that any costs DMME may incur in changing the bond amounts can be absorbed within existing resources.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.