

## Department of Planning and Budget

### 2020 Fiscal Impact Statement

**1. Bill Number:** HB706

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

**2. Patron:** Keam

**3. Committee:** Agriculture, Conservation and Natural Resources

**4. Title:** Offshore drilling; prohibition on leases; policy.

**5. Summary:** Prohibits the granting of a lease, easement, or permit on the beds of the waters of the Commonwealth that would allow any infrastructure for conveying oil or gas associated with offshore drilling and removes any oil or gas lease granted on such beds from the mandate that such lease include a royalty payment requirement. The bill removes policy statements supporting federal efforts to permit oil and gas development 50 miles or more off the Atlantic shoreline and provides that the Commonwealth does not endorse offshore gas or oil development and repeals a section of the Code that allocates royalties from offshore natural gas and oil resources to the Virginia Offshore Energy Emergency Response Fund and the general fund.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary. See #8.

**8. Fiscal Implications:** It is anticipated that this bill will not have a fiscal impact on the Marine Resources Commission or the Department of Mines, Minerals and Energy. The Virginia Offshore Energy Emergency Response Fund is administered by the Department of Environmental Quality (DEQ). Information on the status of the fund or any fiscal impact on DEQ as a result of this bill is not available.

**9. Specific Agency or Political Subdivisions Affected:** Marine Resources Commission; Department of Mines, Minerals and Energy; Department of Environmental Quality.

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

**11. Other Comments:** None.