

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: HB2058

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Kilgore

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Coalbed methane gas; release of funds held in escrow or suspense.

5. Summary: Requires the operator of certain previously pooled coalbed methane gas wells to request, by the beginning of 2016, the release of any funds held in escrow or suspense to the person who possesses a claim through a gas title. A coal claimant may halt such a release of funds by providing evidence that the coal and gas claimants have reached an agreement or that a proceeding against the gas claimant is pending. For a well that is pooled after July 1, 2015, the bill requires the operator to pay royalties directly to the gas claimant unless the coal claimant provides evidence of an agreement or a proceeding within a certain time. The Virginia Oil and Gas Board, under certain conditions, is authorized to extend the time for the payment of funds held in escrow and is not required to order payment if the gas claimant fails to provide information needed by the Board in order to distribute the funds.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: No state fiscal impact.

8. Fiscal Implications: It is anticipated that this bill will not have a fiscal impact on the Department of Mines, Minerals, and Energy.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.