

Impact Fee

- The fee schedule would begin when the operator starts to spud the well.
- The fee is an annual fee dependent on the price of gas during the year of production set in statute.
- Annual fee projections:
 - 2011: \$190,575,00
 - 2012: \$219,901,500
 - 2013: \$264,123,000
 - 2014: \$291,582,142
 - 2015: \$333,882,000
- Does not allow an operator to make the fee on the extraction of natural gas an obligation or liability of the landowner or leaseholder.
- Counties will authorize the imposition of the fee.
 - 50% of the municipalities in the county or municipalities encompassing 50% or more of the county population may elect to override a counties decision to not authorize the imposition of the fee.
- Counties who do not approve the fee will not receive the county share.
- PUC will collect and distribute the funds.
- Distribution percentages between local and statewide initiatives are relatively consistent with what was passed in SB1100/HB 1950.
 - Additional transfers from the Oil and Gas Lease Fund to the Environmental Stewardship Fund, in addition to the 15% dedicated funding in statewide initiatives, will provide higher revenue for environmental initiatives compared to what was passed in previous versions of the fee.
- In addition to the Environmental Stewardship Fund, the statewide spend continues to allocate funds to the CFA, Highway Bridge Improvement Account and for water and sewer projects.
- Discussions are ongoing to give CFA the authority to approve grants under the chapter with a super majority vote or simple majority vote.
- The *Natural Gas Development Program* for buying or converting vehicle fleets to natural gas would receive \$20 million over three years.

Environmental Safety Provisions

- Incorporates the Colorado hydraulic fracturing components disclosure law, which is well regarded by environmental groups and the industry. This language is similar to legislation introduced by Senate Democrat members this session. In addition to current PA law, the disclosure would require the operator to:
 - Submit information to FracFocus.org, which would allow the public to search and sort PA chemical disclosure information by geographic area, chemical ingredient, chemical abstract service number, time period and operator.
 - Disclose specific identity and amount of any chemicals claimed to be a trade secret to any health professional who requests the information for health related circumstances.
- Maintains the increased civil/criminal penalties, well bond limit amounts, notice requirement distances, rebuttable presumption and setback distances from structures and water wells, public drinking water supplies and streams which passed in SB1100 and HB 1950.
- Requires the department to adopt regulations regarding the transportation of wastewater.

Local Ordinances Relating to Oil and Gas Operations

- Contains the general framework of the zoning provisions passed in SB 1100 and HB 1950.
- Discussions are progressing on using the PUC instead of the Attorney General's Office.