



Senate Environmental Resources and Energy Committee

Senator Mary Jo White
Chairman

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Summary of Amendment #A02979 to Senate Bill 1100

Amendment Sponsor: MJ White

- Adds definition:
 - “Shale impact fee housing credit.” The credit provided under this chapter for a producer, who has a permit from the department to drill for natural gas other than marginal gas in this Commonwealth, upon acceptance of a donation to an optional county affordable housing fund under 53 Pa.C.S. Ch. 60 (relating to optional affordable housing funding) of a county in which a producer has active unconventional wells or a nonprofit organization under section 501 (c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §501 (c) (3)) which is committed to providing low and moderate income housing in a county in which a producer has active unconventional wells.
- Fixes a drafting error in the definition of “Marginal gas well.”
 - An unconventional gas well incapable of producing more than 90,000 cubic feet of gas per day during a calendar month, including production from the zones and multilateral well bores at a single well, regardless of whether the production is metered separately.
- Increases the base fee and removes the volume and price adjustors.
 - 1st year of production is a flat \$40,000 fee.
 - 2nd year of production is a flat \$30,000 fee.
 - 3rd year of production is a flat \$20,000 fee.
 - 4th year of production through the 10th year of production is a \$10,000 fee.
 - No fee after the 10th year of production.
- The fee shall not be imposed on marginal gas wells.
- Creates a shale impact fee housing credit
 - Maximum credit is no greater than 30% of the impact fee paid.

- Removes:
 - §2306. Meters
 - §2309. Criminal Penalties
 - §2310. Criminal Grading
 - §2311. Enforcement Orders
 - §2312 Administrative Penalties

- Further defines under Conservation District funding that:
 - The funds under Conservation Districts are to be deposited in the Conservation District Fund and distributed by the State Conservation Commission; and

 - One-half shall be distributed by dividing the amount equally among conservation districts for any use consistent with the Conservation District Law.

 - One-half shall be distributed by the State Conservation Commission in a manner consistent with the Conservation District Law.

- Allocates \$1,000,000 for 2012, and every year thereafter to be distributed to the Office of State Fire Commissioner.
 - Funds will be used to:
 - Support training programs for emergency responders located in regions of this Commonwealth where drilling of Marcellus Shale or other unconventional resources occurs;

 - To provide grants to fire departments for the purchase of special equipment required to respond to fires and other emergencies related to natural gas drilling activity.

- Under *Local Share uses*, the amendment:
 - Removes (4) Environmental programs, including trails, parks and recreation, open space, flood plain management, conservation districts and agricultural preservation.

 - Changes (8) to read, “A project, approved by the governing body of a county or municipality that increases the availability of quality affordable housing, either for sale or rental, to residents whose annual income is less than the area median income.”

- Requires all municipalities or counties receiving funds to submit an annual report of projects and services provided by funding from this act to the House and Senate Environmental Resources and Energy Committee and Appropriations Committee.

- Under the 40% distribution of the impact fee to *Environmental Initiatives*, the amendment makes the following changes:
 - Reduces the amount of money going to CFA from 80% to 60%.
 - No more than 40% of the funds for environmental initiatives can be use

for (v) water, storm water and sewer systems, including construction, reconstruction, maintenance and repair.

- Increases the amount of money going to the Motor License Fund from 10% to 20%.
- Increases the amount of money going to the Hazardous Sites Cleanup Fund from 10% to 20%
- Alters uses under Environmental Initiatives to:
 - Remove:
 - (v) the planning, acquisition, development, rehabilitation and repair of greenways, recreational trails, open space, natural areas, community conservation and beautification projects, community and heritage parks and forest conservation.
 - Flood control and dam safety projects.
 - Change:
 - Under (i) to giving priority to acid mine drainage, cleanup and reclamation to projects that recycle and treat mine drainage water for use in drilling operations.
- Creates an expiration of the Shale Impact Fee upon the imposition of a severance tax on each unconventional well producing gas in this Commonwealth.