



Senate Environmental Resources and Energy Committee

Senator Mary Jo White
Chairman

Adam Pankake, Executive Director

Room 169 • State Capitol Building
Mailing address: Senate Box 203021 • Harrisburg, PA 17120-3021
Phone: 717-787-9684 • FAX: 717-787-6088 • energy@pasen.gov

Summary Senate Bill 1100, P.N. 1238

Prime Sponsor: Senator Scarnati

Summary

- Imposes a natural gas impact fee and provides for a model zoning ordinance to receive funds.

Analysis

- The fee will consist of a base fee of \$10,000 for each unconventional well subject to adjustments for the price of gas and the production of gas.
- Marginal and vertical shale wells will pay only the base fee of \$10,000.
- The Pennsylvania Public Utility Commission (PUC) will collect and distribute the impact fee.
- The fee will be retroactive to 2010.
- Distribution of the revenue as follows:
 - **Conservation Districts**
 - In 2010, \$2,500,000 distributed to county conservation districts
 - In 2011, \$5,000,000 distributed to county conservation districts
 - In 2012 and each year thereafter, \$7,500,000 distributed to county conservation districts
 - **60% to local governments**
 - 36% to counties with producing unconventional gas wells
 - 37% to municipalities with producing unconventional gas wells
 - 27% to all municipalities located in counties with producing unconventional gas wells

- The local impact fee revenue may be used for the following purposes:
 - Reconstruction, maintenance and repair of municipal roadways and bridges
 - Preservation and improvement of municipal water supplies
 - Maintenance and capital improvements to municipal waste and sewage systems
 - Preservation and reclamation of the surface waters of the municipality
 - Other lawful purposes reasonably related to the health, welfare and safety consequences of severing natural gas in the municipality
- **40% for statewide environmental and infrastructure impacts**
 - 80% distributed through the Commonwealth Financing Authority for the following uses:
 - Acid mine drainage abatement and cleanup
 - Watershed protection
 - Planning and enforcement authorized under the Pennsylvania Sewage Facilities Act
 - Water and sewer infrastructure
 - Greenways, recreational trails, open space, natural areas, heritage parks, etc.
 - Flood control and dam safety projects
 - 10% to the Motor License Fund for impacted State highway improvements
 - 10% to the Hazardous Sites Cleanup Fund
- Require the PUC to publish a model zoning ordinance that includes standards set forth in the bill
- Prohibit a county or municipality that adopts a zoning ordinance which exceeds the model from receiving funding from the local impact fee.

Effective Date

- §2501 and §2502 (local zoning) shall take immediately.
- The remainder of the act (shale impact fee) shall take effect in 30 days.