



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 2528

PRINTERS NO. 3254

PRIME SPONSOR: Struzzi

### COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
General Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 2528, Printer's Number 3254, requires the Department of Environmental Protection to prioritize awarding well plugging contracts to Pennsylvania companies before considering out-of-state companies.

**ANALYSIS:** This bill amends Title 58 (Oil and Gas) to insert a new Section 3271.1 addressing well plugging contracts. The Department of Environmental Protection (DEP) shall allow any Pennsylvania company to bid for a contract that the department plans to award for plugging oil or gas wells, regardless of the size of the company.

The department shall award a contract for plugging oil or gas wells to an eligible Pennsylvania company before considering the bid of a company which is not a Pennsylvania company. If no eligible Pennsylvania company bids for the contract, the department may consider bids from a company that is not a Pennsylvania company.

The bill provides for the definition of "Pennsylvania company" as a business entity which:

- (1) has its main offices or headquarters located within this Commonwealth and conducts at least 50% of its business activities within this Commonwealth; or
- (2) will bid for State contracts for plugging oil or gas wells and subcontract the work to subcontractors selected through a competitive bidding process that gives priority to subcontractors that satisfy the criteria specified under paragraph (1) when possible.

This legislation would take effect in 60 days upon enactment.

**FISCAL IMPACT:** Costs related to the enactment of this legislation are indeterminable as it will depend upon the number of and amounts per contract bid being submitted.

**PREPARED BY:** Jeffrey Clukey  
House Appropriations Committee (R)

**DATE:** June 20, 2022

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*