

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 2528

PRINTER NO. 3606

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 20, 2022

PRIME SPONSOR

Representative Struzzi

DESCRIPTION

House Bill 2528 amends Title 58 (Oil and Gas) making changes to remain in compliance with federal funding requirements and updating the Oil and Gas Well Plugging Grant program.

The bill makes changes to Section 2811 to maintain federal compliance regarding the allocation of federal funds that are made available for well plugging.

The legislation amends Subchapter C, renaming it the Orphan Oil and Gas Well Plugging Grant program. The maximum grant amounts are changed to \$40,000 for wells of 3,000 feet in depth or less and \$70,000 for wells greater than 3,000 feet in depth. The criteria for qualified well pluggers is changed to remove the well drilling requirements and to add that a qualified plugger must not be in continuing violation of a statute or regulation administered by the department and that the department has taken final action and the plugger has not appealed the final action or, if appealed, no supersedeas has been issued.

The department shall accept, review and approve applications until the amount available for grants is committed. The application will require the plugger to affirm the ability to plug each well in accordance with federal regulations. The initial approval shall be made within 15 days and is contingent on the plugger having submitted documentation on the cost for plugging the well and the ability to be in compliance with federal regulations. The grant application amount may be amended at the discretion of the department to cover unexpected additional costs. Any Pennsylvania company of any size shall be eligible to apply for well plugging grant awards.

FISCAL IMPACT:

House Bill 2528 will have no fiscal impact on Commonwealth funds. Changing the maximum grant award amounts will have no effect on the total federal funds available for grant awards.