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August 1, 2011

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MEMORANDUM

Representative Karen Boback Room 141-B, East Wing SUBJECT: Cosponsorship of Legislation

TO:

FROM:

As a Commonwealth, we all breathe the same air, drink the same water, and share in both the advantages and impacts of natural gas production in Pennsylvania. Therefore, in the near future, I plan to introduce my Marcellus Revenue Sharing Act-Marcellus Shares, imposing an operational fee on natural gas wells in the Commonwealth.

This fee is assessed at a rate of 1.5% of the gross value of units severed at the wellhead for the first 60 months of production and 5% of the gross value of units severed thereafter on gas wells that produce more than 90,000 cubic feet per day. Additionally, this plan specifically exempts owners of the surface property who have leased the rights to recover the gas.

Revenue collected through this legislation would be distributed into the Marcellus Revenue Sharing Account to be distributed as follows:

- Thirty-five percent to the Property Tax Relief Fund.
- Twenty-five percent to the Local Government Impact Account to be utilized by the Department of Community and Economic Development to fund a competitive grant program to assist counties and local governments with the remediation of environmental and transportation impacts resulting from natural gas drilling operations, with priority given to host municipalities.
- Twenty-four percent to the Environmental Stewardship Fund.

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- Ten percent to the Motor License Fund to help fund road and bridge repairs in the Commonwealth.
- Two percent to the Conservation District Fund for distribution to county conservation districts.
- Two percent to the Department of Education to fund grants available to Pennsylvania Institutions of Higher Education to research energy, environmental, safety, community education, economic, and other issues related to the development of natural gas in the Commonwealth.
- One percent to the Hazardous Sites Cleanup Fund.
- One percent to the Pennsylvania Fish and Boat Commission.

If you are interested in joining me in co-sponsoring this legislation, please contact or email Brenda Zablotsky at (717) 787-1117 or bzablots@pahousegop.com. Thank you for your interest and support.

KB:brz