

EALS #: 320-01

Title: Oil & Gas Act Modernization

Agency: Lands, Department of

Status: Submitted

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Has this idea or a similar idea been submitted in the past three years? No

Provide a short summary of the changes this legislative idea makes:

In 2017, the Idaho Legislature modernized 47-3 to provide additional guidance to operators, mineral interest owners, and the state. There were significant changes to statute at that time. After five years of operating under these new guidelines, the OGCC is recommending some additional changes to provide clarity to stakeholders. These changes improve reporting guidelines for the operator, allow changes to the makeup of the commission to better reflect the needs in Idaho, and lay out terms for integrations as required by the U.S. district court decision CAIA vs. Schultz.

Why is this legislative idea needed? What prompted this request?

The change is needed to fulfill the federal order requiring just and reasonable terms be provided before an integration order is completed. There are also changes needed to address reporting requirements and the makeup of the Commission.

Is this change directly related to:

- The Red Tape Reduction Act
 The Licensing Freedom Act

List any affected parties and potential concerns they may have with this legislative idea. How will the agency involve these parties in review of the legislation text if this legislative idea is approved?

The Commission held a number of public meetings allowing the public and industry to participate in the development of these revisions. In total there were six drafts, and the engagement from all stakeholders was strong. Please see <https://ogcc.idaho.gov/rules-and-statutes/47-3-changes/>

Provide the projected fiscal impact for all programs affected, including both positive and negative impacts to all fund sources (general, dedicated and federal):

There is no direct fiscal impact as a result of these ideas. However, with the improved reporting requirements it may be easier for parties to track severance tax and royalty payments.

What impact will this legislative idea have on the competitiveness of businesses and individuals?

Describing just and reasonable terms in statute should shorten the integration process and enable production to come on-line sooner. Additional reporting clarity will improve transparency of the industry for mineral interest owners and potential operators, thereby improving competition.

Analyst: Amanda Harper

 Recommended Not Recommended

Date:

Special Assistant: Nate Fisher

 Recommended Not Recommended

Date:

Administrator Recommendation:

 Approved Disapproved

Date: