
**Technology, Energy &
Communications Committee**

HB 3193

Brief Description: Collecting royalties for fossil fuel production.

Sponsors: Representatives Morris and Anderson.

Brief Summary of Bill

- States legislative intent to establish a methodology for the collection of royalties from fossil fuels.

Hearing Date: 1/31/06

Staff: Jason Callahan (786-7117).

Background:

The Department of Natural Resources (DNR) oversees both the regulation of oil and gas exploration and production in Washington, as well as the leasing of proprietary interests in oil and gas. The DNR is authorized to lease state lands for oil and gas production, as long as a single lease does not cover more than 640 acres. All oil and gas produced under a lease issued by the DNR is subject to a royalty payable to the state. This royalty may be no less than 12.5 percent of the gross production of oil or gas. Revenues generated from the royalties are paid to the beneficiaries of the state land trusts. There are no royalties due for the production of oil and gas from private lands.

Summary of Bill:

The Legislature intends to establish a methodology for the collection of royalties from fossil fuels.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.