

STATEMENT OF PURPOSE

RS24511

This bill streamlines the administrative permitting process for the oil and gas industry, providing certainty and clarity for developers, state agencies and members of the public who own mineral interests. Currently, a single oil and gas application in Idaho can take over 400 days to process. That same type of application would be considered and processed in 45 to 60 days in other states. The bill seeks to address that problem by clarifying the permitting process for drilling permits. The bill also brings Idaho's administrative processes into alignment with other producing states by creating a predictable decision-making framework, by setting clear timelines and by clarifying expectations for applications before the Oil and Gas Commission.

FISCAL NOTE

This bill will have a positive impact on the general fund by allowing development of dozens of new wells and infrastructure over the next three years. The development phase requires a significant amount of capital investment, which results in increases in payroll taxes and corporate income taxes for local vendors. Once the well is producing, the state is guaranteed 2.5% of all sales, income tax paid by citizens who receive their 12.5% royalty, and taxes paid by the general partners.

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