

Pennsylvania Impact Fee Summary

- Legislation places an impact fee on every well drilling for gas in the Marcellus Shale formation.
- The fee is \$50,000 per horizontal well (4,022 wells total) and \$10,000 per vertical well (311 wells).
- The law does not allow an operator to make the fee on the extraction of natural gas an obligation or liability of the landowner or leaseholder.
- While the fee is administered and collected on the state level, counties will decide whether or not to enact it. County commissioners have until mid-April to enact a fee. If any county chooses *not* to collect the money, its municipalities will have a 60 day window to override the decision. When more than half of the county's townships and boroughs pass a resolution calling for a fee, the levy will automatically be adopted.
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- Counties who do not approve the fee will not receive the county share.
- The Pennsylvania Public Utility Commission collects and distributes the funds.
- The fee raised approximately \$204 million in 2012 (\$109 million will be distributed to county and municipal governments in the Marcellus region)
- 60% of the revenue goes to local governments, the remainder goes to state agencies such as the Department of Transportation, the Department of Environmental Protection, the Public Utility commission, the Pennsylvania Emergency Management Agency, the State Fire Commission and the Fish and Boat Commission.
- All 67 counties in PA receive a portion of the "legacy fund" whether or not they have any wells. This figure is based on population. Philadelphia County will receive nearly \$1.3 million.

Sources:

<http://stateimpact.npr.org/pennsylvania/tag/impact-fee/>

<http://s3.documentcloud.org/documents/289723/stateimpact-pa-impact-fee-summary.pdf>

<http://www.eckertseamans.com/%5Cfile%5Cpdf%5Calerts%5CMarcellShaleImpactFeeAlertFeb2012pdf.pdf>

<http://www.post-gazette.com/stories/local/marcellusshale/pa-communities-to-share-204-million-in-marcellus-shale-impact-fees-657636/>