

98TH GENERAL ASSEMBLY State of Illinois 2013 and 2014 SB1418

Introduced 2/6/2013, by Sen. Mattie Hunter

SYNOPSIS AS INTRODUCED:

225 ILCS 725/30 new 225 ILCS 725/35 new

Amends the Illinois Oil and Gas Act. Provides that no person shall conduct high volume horizontal hydraulic fracturing operations without express legislative authorization, which shall not be granted until after receipt of the findings and recommendations of the Hydraulic Fracturing Task Force. Creates the Hydraulic Fracturing Task Force. Provides that the purpose of the Task Force is to conduct a thorough review of the regulation of hydraulic fracturing operations in Illinois and to gather information, review, evaluate, and make recommendations regarding the regulation of hydraulic fracturing operations in Illinois. Sets forth the membership of the task force. Provides that the Task Force shall provide its findings and recommendations to the General Assembly within 2 years after the effective date of the amendatory Act. Repeals the provisions creating the Task Force on July 1, 2016. Effective immediately.

LRB098 08487 MGM 38594 b

FISCAL NOTE ACT

1 AN ACT concerning regulation.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- Section 5. The Illinois Oil and Gas Act is amended by adding Sections 30 and 35 as follows:
- 6 (225 ILCS 725/30 new)
- 7 <u>Sec. 30. Hydraulic fracturing moratorium.</u>
- 8 (a) No person shall conduct high volume horizontal
 9 hydraulic fracturing operations in Illinois without express
 10 legislative authorization. Any express authorization shall not
 11 be granted until after receipt of the written findings and
 12 recommendations of the Hydraulic Fracturing Task Force set
 13 forth in Section 35 of this Act. Any passage of subsequent
 14 legislation shall be informed by the express findings and

recommendations of the Hydraulic Fracturing Task Force.

16 (b) As used in this Section:

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"High volume horizontal hydraulic fracturing operations" means any and all procedures used and any and all states of the treatment or operation of any and all horizontal wells by the pressurized application of more than 80,000 gallons of water or mixtures of water, sand, and chemicals, or any combination thereof, or use of more than 80,000 gallons of hydraulic fracturing fluid per

1	treatment stage to initiate or propagate fractures,
2	fissures, or other openings in shale to enhance the
3	extraction or production of oil or gas.
4	"Horizontal well" means a well with a wellbore drilled
5	laterally at an angle of at least 80 degrees to the
6	vertical and with a horizontal projection exceeding 100
7	feet measured from the initial point of penetration into
8	the productive formation through the terminus of the
9	lateral in the same common source of hydrocarbon supply.
10	"Hydraulic fracturing fluid" means the fluid,
11	including the applicable base fluid and all hydraulic
12	fracturing additives, steam, hot water, sand, or any other
13	substance used to perform high volume hydraulic
14	fracturing.
15	"Shale" means a fine-grained sedimentary rock formed
16	by the consolidation of clay, silt, or mud that is
17	representative of, but not limited to, the New Albany Shale
18	and Maquoketa Shale groups as defined in the Illinois
19	Bulletin 95 Handbook of Stratigraphy.
20	(225 ILCS 725/35 new)
21	Sec. 35. The Hydraulic Fracturing Task Force.
22	(a) There is hereby created the Hydraulic Fracturing Task
23	Force.
24	(b) The purpose of the Task Force is to conduct a thorough,

scientific, and public investigation reviewing, assessing, and

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addressing the potential dangers, potential environmental effects, and the potential socio-economic costs of hydraulic fracturing to public health, private property, air quality, and water availability including issues of supply scarcity, water quality, public lands, livestock, wildlife, seismic vulnerability and preparedness, and public commons (such as roadways and highways, including wear, tear, and repair of increased traffic patterns and congestion); to assess the overall local and regional potential economic gains, losses, or both; and to consider issues of community integrity, including issues of self-determination.

- (c) The Task Force is also charged with performing a thorough review of all relevant and available scientific studies pertaining to hydraulic fracturing throughout the United States, including those conducted by State governments, universities in the United States and elsewhere, and reputable environmental and industry institutions. The Task Force shall also conduct a significant review of all regulations of hydraulic fracturing operations in all the states and in known localities throughout the United States.
- (d) The Task Force shall gather information, review studies, evaluate testimony, and consider and summarize written comments received, and shall make written findings and recommendations regarding the economic and technological feasibility and reasonableness of conducting hydraulic fracturing in Illinois, as well as the <u>potential environmental</u>

and health impacts from such activities.

- (e) The Task Force shall identify and recommend any areas requiring further inquiry, study, or investigation and shall make recommendations, based on the evidence gathered, to propose (i) other moratoria on hydraulic fracturing or a continuation of the moratorium set forth under Section 30, (ii) an outright ban on such activity, or (iii) potential regulations or areas of regulation, with recommendations for any operations of hydraulic fracturing in Illinois.
- (f) The Task Force shall gather information, including through public comments and public hearings, and shall, upon gathering all information available, make written findings and recommendations to the General Assembly and the Governor, including, but not limited to, investigation, findings, and recommendations concerning the following areas or issues:
 - (1) the protection of the State's water resources, including the identification of potential contaminants, potential sources of environmental contamination, potential for migration of contaminants to surface and ground water resources, expected rate of water usage and its impact on aquifers, private wells, and public sources of drinking water, and potential health risks from any identified risks of contamination of water resources;
 - (2) potential impacts to agriculture, tourism, and other industries, such as the wine producing industry;
 - (3) potential impacts to wildlife and natural

resources;

- (4) potential chemicals used in hydraulic fracturing fluid and the safety and health implications of use of such chemicals and the potential use of inert tracer chemicals to identify fracking fluid that has migrated;
- (5) potential air emissions, including identifying potential air pollutants, point and nonpoint sources of releases of contaminants to the air, and recommended controls, monitoring, and regulation for such potential emissions;
- (6) potential areas of regulation, including recommendations as to proper equipment standards, operating practices, set back requirements, environmental monitoring and sampling, the handling, storage, and disposal of hydraulic fracturing fluid, flowback, and any and all waste water and solid waste, including whether any such waste should be classified as hazardous waste or radioactive waste, and any potential regulatory provisions required to protect water and air resources and public and private interests;
- (7) identification of all risks, including effects on seismic activities and recommendations regarding the same;
- (8) potential permitting requirements for hydraulic
 fracturing;
- (9) potential concerns regarding the safeguarding of proprietary information, including trade secret and

1	business confidential information, that may be required to
2	be provided to government regulators and emergency
3	responders;
4	(10) the practices of persons, sometimes referred to as
5	landmen, in the leasing, buying, or both of oil rights, gas
6	rights, mineral rights, subsurface rights, or a
7	combination thereof, and establishing surface rights from
8	owners of surface land, including findings and
9	recommendations for any regulations regarding subsurface
10	rights and regarding leasing and buying practices; and
11	(11) identification and summarization of information
12	gathered at public hearings and in written comments from
13	interested persons regarding proposed hydraulic fracturing
14	operations in Illinois.
15	(g) The Fracking Task Force shall consist of the following
16	members, with all appointments to the Task Force to be made
17	within 30 days after the effective date of this Section:
18	(1) one member appointed by the Speaker of the House;
19	(2) one member appointed by the House Minority Leader;
20	(3) one member appointed by the President of the
21	Senate;
22	(4) one member appointed by the Senate Minority Leader;
23	(5) one member appointed by the Office of the Attorney
24	<pre>General;</pre>
25	(6) one member appointed by the Director of Natural
26	Resources;

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1	(7) one member appointed by the Director of the
2	Illinois Environmental Protection Agency;
3	(8) two persons representing environmental interests
4	appointed by the Governor, including one lawyer;
5	(9) two persons representing oil and gas interests
6	appointed by the Governor, including one lawyer;
7	(10) one person representing agricultural interests
8	from the Illinois Farm Bureau appointed by the Governor;
9	(11) one person representing public water supplies
10	appointed by the Governor;
11	(12) one person appointed by the Director of the
12	Illinois Emergency Management Agency;
13	(13) one person appointed by the United States
14	Department of Agriculture Natural Resource Conservation
15	Service, preferably a resident of a County where New Albany
16	Shale is present;
17	(14) one person appointed by the Illinois Department of
18	Agriculture who holds a position as State Conservationist
19	in an Illinois County where New Albany Shale is present;
20	(15) one member appointed by the Governor from the
21	Illinois State Geological Survey;
22	(16) one person appointed by the Governor from the
23	Southern Illinois Farming Network;
24	(17) one member appointed by the Director of Insurance;
25	(18) one member appointed by the Director of the
26	Illinois Office of Tourism;

1	(19) one member appointed by the Governor representing
2	an environmental group working for the conservation of the
3	Shawnee National Forest;
4	(20) one member appointed by the Pollution Control
5	Board;
6	(21) one member appointed by the Governor from the
7	Illinois Rural Water Association;
8	(22) one member appointed by the Governor from the
9	Illinois Association of Groundwater Professionals or from
10	a similar organization;
11	(23) one member appointed by the Governor from the
12	Illinois Department of Public Health;
13	(24) one member appointed by the Governor from the
14	Illinois Municipal League; and
15	(25) two members appointed by the Governor from the
16	Illinois Counties Association, Illinois Association of
17	County Board Members and Commissioners, Illinois
18	Association of County Officials, or the United Counties
19	Council of Illinois.
20	(h) The members of the Task Force shall designate a
21	chairperson upon their first meeting, which shall take place no
22	later than 90 days after the effective date of this Section.
23	(i) The Task Force shall conduct monthly or bi-monthly
24	meetings, conference calls, or both, and shall conduct at least
25	3 public hearings before filing its final written findings and
26	recommendations in accordance with this Section.

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- (j) At the public hearings, the Task Force shall allow interested persons to present their views and comments and to present any written literature, statements, articles, or comments. Transcripts of all hearings shall be made available to the Task Force and the public. Based on attendance and time frames, the Task Force may set limits for the time each speaker may comment, but in no event shall less than 5 minutes be allowed per speaker and any speaker with technical or scientific credentials shall be given deference to testify at least 15 minutes or more. Equal time shall be given to all expert presentations of evidence and concerns.
- (k) The Task Force shall hold no fewer than 3, nor greater than 5, public hearings, which shall be held at geographically convenient locations around the State. These hearings shall be determined by the Task Force on a schedule that is publicly announced in area newspapers, State buildings, websites, and other media no less than 3 weeks in advance of each hearing and in local newspapers no more than 3 months in advance of any given hearing in that geographic area. These hearings may be continued if all persons could not be heard, and all hearings shall be completed at least 3 months prior to the time for submission of the final written findings and recommendations.
- (1) The members of the Task Force shall receive no compensation for their services on the Task Force, but shall be reimbursed for any ordinary and necessary expenses incurred in the performance of their duties, including reimbursement for

mileage. The Task Force members may divide responsibilities as
appropriate for the subject matter and as determined by any
majority vote of the group or as given to the Chairman from a
majority vote of the members. However, any member may

investigate or inquire as to any issue listed in subsection (f)

of this Section.

- (m) The Department of Natural Resources and the Illinois

 Environmental Protection Agency shall each provide at least one

 full-time person to provide administrative staff support to the

 Task Force, as needed.
- (n) All documents gathered by the Task Force shall be made public record and shall be made available as conveniently as possible for review by the public in as timely a manner as practicable, including making all information available in electronic form, through a website, or both.
 - (o) The Task Force shall provide its written findings and recommendations to the General Assembly and the Governor no later than 2 years after the effective date of this amendatory Act of the 98th General Assembly. The public record of documents, comments, and transcripts shall also be made available in electronic form or on a website. Individual members or any groups of members may file separate findings and recommendations or dissents on particular issues, but consensus of the entire group is encouraged and all findings and recommendations by the entire group shall be identified in the final written report.

- 1 (p) This Section is repealed on July 1, 2016.
- 2 Section 99. Effective date. This Act takes effect upon
- 3 becoming law.