

**Senate Bill No. 522**

(By Senators Kessler (Mr. President), Unger, Beach, Jenkins,  
Yost, Klempa, Browning, D. Facemire, Plymale and Williams)

[Introduced February 6, 2012; referred to the Committee on  
Education; and then to the Committee on Finance.]

**FISCAL  
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by  
adding thereto a new article, designated §18B-11C-1,  
§18B-11C-2, §18B-11C-3, §18B-11C-4, §18B-11C-5 and §18B-11C-6,  
all relating to the creation of the Shale Research, Education,  
Policy and Economic Development Center at West Virginia  
University.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended  
by adding thereto a new article, designated §18B-11C-1, §18B-11C-2,  
§18B-11C-3, §18B-11C-4, §18B-11C-5 and §18B-11C-6, all to read as  
follows:

**ARTICLE 11C. SHALE RESEARCH, EDUCATION, POLICY AND ECONOMIC  
DEVELOPMENT CENTER AT WEST VIRGINIA UNIVERSITY.**

1 **§18B-11C-1. Purpose.**

2 (a) Advancements in technology have resulted in the efficient  
3 development of abundant natural gas and oil resources contained in  
4 underground shales and other geologic formations in the State of  
5 West Virginia. These resources have the potential to generate  
6 jobs, stimulate economic activity, ensure energy security, reduce  
7 carbon and other emissions and provide significant revenues to the  
8 State of West Virginia.

9 (b) The Legislature finds that the development of the Shale  
10 Research, Education, Policy and Economic Development Center at West  
11 Virginia University is in furtherance of the university's land  
12 grant status and allows the State of West Virginia to focus on the  
13 prudent development and regulation of natural gas and liquid  
14 hydrocarbon from the shale resources in West Virginia and  
15 throughout the world.

16 (c) This center will provide an opportunity for West Virginia  
17 University to partner with industry and government bodies in the  
18 State of West Virginia, nationally and internationally to explore  
19 opportunities and engage in scientific research and development of  
20 shale resources.

21 (d) The center shall pursue independent, objective  
22 research-driven analysis to achieve the following:

23 (1) To improve the efficient development of shale resources;

24 (2) To generate and document best practices covering

1 environmental, safety, business and health practices;

2 (3) To advance environmental performance by garnering industry  
3 and regulatory commitment;

4 (4) To improve transparency of the data and process, and  
5 develop effective outreach and engagement of affected communities;

6 (5) To protect the environment of the State of West Virginia  
7 and beyond by minimizing methane, carbon dioxide and any other  
8 potential emissions; and

9 (6) To structure legal frameworks and policies to promote  
10 prudent development of and access to the state's resources.

11 (e) The center shall have a flexible structure to accommodate  
12 the needs of the state, West Virginia University and its partners  
13 in government and industry. This will be achieved through:

14 (1) Investment by state and federal sources in strategic  
15 research;

16 (2) Focused, cofunded research and development programs  
17 sponsored by West Virginia University, government and industry  
18 partners;

19 (3) Industry-funded applied research; and

20 (4) Specialized services for government and industry partners.

21 **§18B-11C-2. Creation of the Shale Research, Education, Policy and**  
22 **Economic Development Center at West Virginia**  
23 **University.**

24 (a) In furtherance of the purpose set forth in section one,

1 there is created a research, education and economic development  
2 entity known as the Shale Research, Education, Policy and Economic  
3 Development Center at West Virginia University.

4 (b) West Virginia University shall use its research  
5 capabilities, including, but not limited to:

6 (1) Technologies for efficient resource assessment and  
7 efficient extraction, such as various improvements to extraction  
8 technologies, earth imaging and other technologies to map,  
9 evaluate, and assess resources and understand geoprocesses; models  
10 to predict and manipulate multiphase fluid flow including gas,  
11 liquid hydrocarbons, and hydraulic fracture fluids; and water life  
12 cycle analysis from source through staging, use, wastewater  
13 recycling and treatment.

14 (2) Environmental and economic impacts, such as fuel cycle  
15 analysis; construct state-wide baselines for water and air quality;  
16 control of emissions and fuel waste in all cycles of energy  
17 production and delivery; policy analysis to facilitate cost  
18 effective permitting, industry management, regulation and  
19 acceptance, improved gathering, storage, analysis, transparency,  
20 and access of energy data to serve government, industry, and the  
21 public.

22 (3) Human dimensions, such as workforce development via K-12  
23 and college programming specializing in energy and environment  
24 fields; analysis of public health risks and promotion of best

1 practices to protect public health and work place health and  
2 safety; transparent and effective communication strategies to  
3 establish shared understandings of expectations and awareness of  
4 issues and facts; and assist state agencies including the West  
5 Virginia Department of Environmental Protection, West Virginia  
6 State Tax Division, the West Virginia Geologic and Economic Survey  
7 to develop a transparent, efficient, and effective environment to  
8 manage the state's oil and natural gas resources for the benefit of  
9 all the state's citizens, thus ensuring that development of these  
10 resources is tracked and followed accurately and further ensuring  
11 that appropriate revenue streams are captured by the state and that  
12 royalties to mineral lessors are appropriately protected;  
13 development of best business practices in aid and assistance of  
14 developing a robust and prudently positioned industry in the state,  
15 and; tracking and analyzing the economic impact and effect of the  
16 industry upon the state.

17 **§18B-11C-3. Definitions.**

18 As used in this article:

19 (1) "Board" means the West Virginia University Board of  
20 Governors.

21 (2) "Center" means the Shale Research, Education, Policy and  
22 Economic Development Center at West Virginia University.

23 **§18B-11C-4. Funding.**

24 The center shall be funded as provided by a budget line item

1 through legislative appropriation and, through any support received  
2 from private industry, federal and international sources.

3 **§18B-11C-5. Powers and duties of the board of governors and Shale**  
4 **Research, Education, Policy and Economic Development**  
5 **Center at West Virginia University.**

6 Notwithstanding any other provision of this code to the  
7 contrary, the board is authorized to operate the center to further  
8 the purpose set forth in section one of this article, including:

9 (1) Either the acquisition by purchase, lease, gift or  
10 otherwise, of necessary lands, and the construction of necessary  
11 buildings, appropriate industrial operations equipment;

12 (2) The expansion, remodeling, altering or equipping of  
13 necessary buildings;

14 (3) The making of contracts with any state, county or  
15 municipal agency or private entity necessary and incidental to the  
16 performance of its powers and duties under this section;

17 (4) Providing for the equipment, expenses, compensation of  
18 personnel, operation and maintenance of any facility of an agency  
19 or institution used for the purposes of this article; and

20 (6) Cooperating with other agencies of the state, county and  
21 federal governments.

22 **§18B-11C-6. Rules.**

23 The board may make and adopt rules and standards for the

1 establishment, operation, cost reimbursement, fees for services,  
2 maintenance and government control of the center established  
3 pursuant to this article, including rules and standards necessary  
4 for cooperation under and compliance with any existing or future  
5 federal statutes pertaining to grants-in-aid and other rules be  
6 necessary to effectuate the purpose of this article.

NOTE: The purpose of this bill is to create the Shale Research, Education, Policy and Economic Development Center at West Virginia University.

This article is new; therefore, strike-throughs and underscoring have been omitted.