

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**April 8, 2003**

**TO:** Honorable George "Buddy" West, Chair, House Committee on Energy Resources

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB183** by Merritt (Relating to a requirement that the Bureau of Economic Geology of The University of Texas at Austin conduct a study of the East Texas Oil Field.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB183, As Introduced: a negative impact of (\$2,051,374) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$1,039,657)
2005	(\$1,011,717)
2006	\$0
2007	\$0
2008	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$1,039,657)	8.6
2005	(\$1,011,717)	8.6
2006	\$0	0.0
2007	\$0	0.0
2008	\$0	0.0

**Fiscal Analysis**

The bill would establish the East Texas Oil Field Advisory Committee and committee members would be entitled to reimbursement for actual and necessary expenses.

The bill would require the Bureau of Economic Geology of The University of Texas at Austin to conduct a study of the East Texas Oil Field to make recommendations regarding ways to maximize the recovery of oil and gas from the field. The report must be completed by September 1, 2005.

## **Methodology**

The Texas Railroad Commission assumes minimal costs related to reimbursement of advisory committee members.

Based on previous studies conducted by the Bureau of Economic Geology, The University of Texas System assumes that 8.6 full-time employee's would be needed to conduct the study. These personnel costs represent \$537,152 in fiscal year 2004 and \$564,016 in fiscal year 2005. The remaining costs, including technology-related, would be \$472,633 in fiscal year 2004 and \$431,829 in fiscal year 2005.

## **Technology**

The University of Texas System estimates a cost of \$216,144 in fiscal year 2004 and \$221,544 in fiscal year 2005 for state-of-the-art reservoir characterization technology to conduct the study.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 455 Railroad Commission, 720 The University of Texas System Administration

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