

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 9, 2003

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB942 by Chisum (Relating to certain bond requirements for persons engaged in certain activities under the jurisdiction of the Railroad Commission of Texas other than the ownership or operation of wells.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would exempt certain non-well operators from financial assistance requirements and subject other non-well operators to a bond, letter of credit or cash deposit of \$25,000. The current financial assurance requirement for non-well operators is \$250,000.

The bill could expose the Railroad Commission to greater liability for site cleanups, since certain operators would be required to have reduced or no financial assurance. However, the cost of additional cleanups that would not be covered by the \$25,000 financial assurance requirement are not expected to be significant.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission

LBB Staff: JK, JO, CL, MS, TL