

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

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

**April 17, 2003**

**TO:** Honorable George "Buddy" West, Chair, House Committee on Energy 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.), **Committee Report 1st House, Substituted**

**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