

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 28, 2003

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1931 by Capelo (Relating to pipeline safety emergency response plans and the requirements governing notification of pipeline construction and operation.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to remove the requirement for public notice for all new construction permits for pipelines traverse more than three counties. This may result in a slight decrease in workload for the Railroad Commission, since public notice would no longer need to be verified. However, any impact would be minimal.

The bill would also amend the Health and Safety Code to prohibit a person from building, repairing, replacing, or maintaining a construction on, across, over, or under the easement or right-of-way for a pipeline facility unless notice of the construction is given to the operator of the pipeline facility and the operator determines that the construction would not pose a risk to the public, or damage the pipeline facility; the constructor pays the cost of additional fortifications, barriers, conduits, or other changes, or improvements necessary to protect the public or pipeline facility from risk; the building, repair, replacement, or maintenance is conducted under an existing written agreement; or if the building, repair, replacement, or maintenance is required to be done promptly by a regulated utility company due to the effects of a natural disaster. The bill would provide definitions for construction, constructor, and pipeline facility. The bill would clarify circumstances to which the requirements of the bill would apply and would repeal Section 81.056, Natural Resources Code, related to pipeline construction and operation public notification requirements.

Based on the analyses of the Texas Department of Transportation, the Railroad Commission, the Building and Procurement Commission, the Youth Commission, the Department of Mental Health and Mental Retardation, the Adjutant General's Department, the Texas Military Facilities Commission, the Department of Health, the Department of Criminal Justice, the Parks and Wildlife Department, it is assumed the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2003. The bill would only apply to an activity described in the bill that would be initiated on or after the effective date.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Andrews and El Paso counties reported that implementing the provisions of the bill would have a minimal effect on their budgets.

Source Agencies: 303 Building and Procurement Commission, 401 Adjutant General's Department, 406 Texas Military Facilities Commission, 455 Railroad Commission, 501 Department of Health, 601 Department of Transportation, 655 Department of Mental Health and Mental Retardation, 694 Youth Commission, 696 Department of Criminal Justice, 802 Parks and Wildlife Department

LBB Staff: JK, CL, MW