

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

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

**March 18, 2003**

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

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

**IN RE: HB2021** by Farabee (Relating to the bankruptcy notice required to be filed by a regulated oil and gas entity.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would require oil and gas entities that file for federal bankruptcy protection to give written notice to the Railroad Commission's General Counsel not later than the 30th day after the date of filing. Passage of the bill could result in some additional administrative duties by the Railroad Commission, however, this is not expected to result in significant fiscal implications.

Passage of the bill could reduce the state's liability in some cases, since knowledge of potential bankruptcies could result in the Railroad Commission having fewer abandoned sites to clean up in future years. Costs to the Oil Field Cleanup Fund over the next five years, however, are not expected to be reduced significantly.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 455 Railroad Commission

**LBB Staff:** JK, CL, TL