

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 8, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2613 by Keffer, Bill (Relating to liens on stored hydrocarbons at sites and facilities that have not been timely cleaned up.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would authorize the Railroad Commission to salvage and sell hydrocarbons, as well as equipment, located on a site or facility on which wells are to be or have been plugged or remediation is to occur or has occurred using funds from the Oil Field Cleanup (OFCU) Account No. 145. According to the Railroad Commission, the agency currently has the authority to salvage stored hydrocarbons on sites where a plugging occurs, but not on sites being cleaned up where no plugging occurs. The agency estimates that approximately \$6,000 per year could be generated for deposit in the OFCU Account No. 145 to defray remediation costs if stored hydrocarbons could be salvaged at sites where no well plugging has occurred but cleanup with state funds is required.

The lien as it relates to stored hydrocarbons, shall be subject to and inferior to any lien in favor of the State of Texas to secure royalty payments.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: JK, CL, TL