

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 2, 2003

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2766 by Hardcastle (Relating to requiring a permit to conduct geochemical or geophysical exploration activities along certain roadways; providing penalties.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The provisions of the bill would amend the Transportation Code to establish procedures and permitting requirements for Geophysical and Geochemical exploration on the rights of way along Texas highways. The bill would require anyone not holding a valid oil and gas lease on right-of-way land obtain a permit from the Department of Transportation (TXDOT) before conducting geophysical or geochemical exploration on right-of-way land. The provisions would require TXDOT to impose and collect a \$650 applicant fee for a permit and the revenue would be deposited to General Revenue. TXDOT estimates that \$48,750 would be generated based on the anticipated 75 permits. TXDOT would be allowed to impose an administrative penalty who violates the provisions of the bill.

Based on the analysis of the Department of Transportation, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

The bill would take effect September 1, 2003.

Local Government Impact

Affected counties would gain some revenue from the fees charged for permits for geophysical or geochemical exploration activity in right-of-way on county roads. The fee is set at a rate of \$650 for each mile of right-of-way on which the applicant proposes to conduct exploration. One hundred percent of the fee would be retained by the county. The specific amount of revenue would depend on the number of miles explored in a county per fiscal or calendar year.

Source Agencies: 305 General Land Office and Veterans' Land Board, 601 Department of Transportation
LBB Staff: JK, RR, RT, DE, KG