

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

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

**April 13, 2003**

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

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

**IN RE: HB2766** by Hardcastle (Relating to the permitting and collection of fees for Geophysical and Geochemical exploration on state property alongside Texas highways.), **As Introduced**

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

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 Texas Transportation Commission (TTC) before conducting geophysical or geochemical exploration on right-of-way land. The bill would require the TTC to establish and collect a reasonable applicant fee for a permit. The bill would require collected fees to be allocated with 75 percent being deposited to the credit of the General Revenue Fund and 25 percent being remitted to the adjacent landowner if the permit was for right of way along a State of Texas highway. The bill would require collected fees to be allocated with 75 percent being deposited to the credit of the county where the geophysical or geochemical exploration activity took place and 25 percent being remitted to the adjacent landowner if the permit was for right of way along a county road beyond the commission's jurisdiction.

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. Also, no significant implication to the state is anticipated due to the estimated number of permits that would be requested.

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.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated. The bill directs the TTC to collect "reasonable fees" for permits allowing geophysical or geochemical exploration on state land. Twenty-five percent of the fee would go the landowner of any property adjacent to the land on which exploration is occurring. If a county, municipality, or other local governmental entity is the adjacent landowner, then the county would receive those fees. Any revenues would depend on the amount of the fee determined by the TTC.

Affected counties also would gain revenue from the fees charged for permits for geophysical or geochemical exploration activity in right-of-way on county roads. The bill would allow the county commissioner's court to set a "reasonable" fee for these activities. Seventy-five percent of the fee would be retained by the county while the balance would be forwarded to adjacent landowners. Any revenues would depend on the amount of the fee determined.

**Source Agencies:** 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 601 Department of Transportation

**LBB Staff:** JK, RR, RT, MW, KG