

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 28, 2005**

**TO:** Honorable David Dewhurst , Lieutenant Governor, Senate  
Honorable Tom Craddick, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB872** by West, George "Buddy" (Relating to the rates and fees related to pipeline inspection and gas utility services.), **Conference Committee Report**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill clarifies that the pipeline safety user fee assessed by the Railroad Commission applies to all natural gas distribution operators, including cooperatively owned systems. The changes are not expected to result in a significant impact to the state.

The bill would require that an oil and gas operator who observes or detects any petroleum based contamination of soil or water in the proximity of a pipeline when in the process of placement, repair, replacement, or maintenance, to file a report within 24 hours to the Railroad Commission and the landowner. The bill also would require the Railroad Commission to collect a sample of the soil from the contaminated land. The bill also would release an operator that files a contamination report from all liability to the state for the cleanup of contamination covered by a report, except for any contamination caused by the operator.

This estimate assumes that the Railroad Commission would be responsible for collecting and analyzing an estimated 150 soil samples per year at an average cost of \$150,000 in contractor services. This estimate assumes that these costs would not be significant to the Railroad Commission's budget.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 455 Railroad Commission

**LBB Staff:** JOB, SD, CL, WK, ZS, TL