

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 13, 2005

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

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

IN RE: HB1329 by Chisum (Relating to the authority of a city to take certain actions with regard to certain pipelines.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would allow a municipality to assess a reasonable, one-time charge for the use by an owner or operator of hazardous liquid or carbon dioxide pipeline facility of public right-of-ways (streets, streams, canals, alleys, etc.) located within the municipality if the municipality does not assess a charge under Section 182.025 of the Tax Code. The bill also would allow a municipality to recover the reasonable cost of repairing damage to a public right-of-way (ROW) caused by the placement, construction, operation, removal or other use of a pipeline facility if the owner of the facility does not repair damages in accordance with generally applicable paving or other applicable standards in the municipality. The owner or operator of a pipeline facility could appeal the assessment of the one-time charge to the Railroad Commission to determine if the charge is reasonable.

The Railroad Commission expects that the number of complaints handled by its Office of General Counsel's Gas Services Section and the Gas Services Market Oversight Section would increase by an estimated seven complaints per year. The agency expects that this additional workload could require one additional FTE and costs of approximately \$80,000 per year. In terms of the agency's overall budget, this impact is not expected to be significant.

Local Government Impact

By imposing a one-time charge for usage of the public ROWs located within and maintained by the municipality, it would incur a revenue gain that would help offset maintenance costs for those public ROWs. Authorization to charge to recover the costs of repairing damage caused by the pipeline would provide a savings to the municipality.

The positive fiscal impact would vary by municipality and by incident.

Source Agencies:

LBB Staff: JOB, WK, DLBa