

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 15, 2005

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

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

IN RE: HB1564 by Farabee (Relating to the use of money in the oil-field cleanup fund.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would limit the Railroad Commission's authority to use the Oil Field Cleanup Account No. 145 to clean up pollution sites to those sites associated directly with oil and gas wells. This would preclude the Commission from addressing certain "non-well" sites such as commercial surface disposal facilities, reclamation plants, spills or illegal dumping from waste haulers, transmission pipelines, gas plants, compressor stations, and oil and gas storage facilities. This estimate assumes that the Railroad Commission would instead use funds in the Oil Field Cleanup Account No. 145 otherwise used for such cleanups (approximately \$2.3 million per year) to perform more well pluggings and cleanups of well sites. Therefore, no savings is projected as a result of the bill's passage.

The Railroad Commission reports that removing its' ability to pay for cleanups at non-well sites could jeopardize the state's federal designation for oil and gas waste cleanups under the federal Resource Conservation and Recovery Act, since the state would no longer be able to address many large, polluted non-well sites.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: JOB, WK, ZS, TL