

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 12, 2005

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

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

IN RE: HB2586 by Hilderbran (Relating to a requirement that a pipeline operator report contamination.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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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 provide owners of sites on which that the Railroad Commission or the Texas Commission on Environmental Quality (TCEQ) do not collect samples within two business days collect a sample of the contaminated soil or groundwater and send it to an accredited laboratory for testing. Results of such testing would be submitted to the Railroad Commission. 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.

The bill does not require state agencies to perform any additional soil testing. There could be some additional staff costs to both the TCEQ and Railroad Commission to implement the provisions of the bill. However, any costs would be absorbed using existing agency staff and resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission, 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, TL