

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 28, 2005

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

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

IN RE: HJR88 by Farabee (Proposing a constitutional amendment to provide that the Railroad Commission of Texas is governed by a single elected railroad commissioner.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR88, As Introduced: a positive impact of \$545,881 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$66,497)
2007	\$612,378
2008	\$918,568
2009	\$918,568
2010	\$918,568

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$66,497)	0.0
2007	\$612,378	(10.0)
2008	\$918,568	(10.0)
2009	\$918,568	(10.0)
2010	\$918,568	(10.0)

Fiscal Analysis

The resolution would reduce the number of commissioners at the Railroad Commission from three to one. If the resolution is approved by voters on November 8, 2005, the first Railroad Commissioner to serve as the single commissioner would be elected at an election in November 2006 to serve a term beginning on January 1, 2007. Until that time, the Railroad Commission would continue to operate with three members.

Methodology

The cost to the state for publication of the resolution is estimated at \$66,497 in General Revenue Funds and is shown in fiscal year 2006.

This estimate assumes that the Railroad Commission would experience a savings associated with the salaries of two commissioners and their staffs. This would result in a reduction of 10 FTEs and \$918,568 in savings each year beginning in fiscal year 2008. In fiscal year 2007, the savings would be slightly less (\$612,378) because the elimination of the commissioners would not take effect until four months into the fiscal year.

All savings are assumed to be out of the General Revenue Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: JOB, WK, ZS, TL