

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 18, 2007

TO: Honorable Rick Hardcastle, Chair, House Committee on Energy Resources

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

IN RE: HB521 by Miller (Relating to notice of an application for a permit to dispose of oil and gas waste in a commercial well; creating an offense.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require that an applicant for a commercial disposal well permit give notice of the application to: each surface owner of record of each tract that adjoins the tract on which a well is proposed to be located; the commissioners court of the county in which the well is proposed to be located; and any groundwater conservation district in which the well is proposed to be located. The bill also would require that each surface owner that receives such notice further provide notice to each surface lessee or purchaser under a contract for deed, executory contract, or other executory conveyance of the tract, and it would require an applicant to publish notice of an application to publish notice in a newspaper. The bill would provide that each person who receives notice the opportunity to request a hearing on the application; however, the Railroad Commission would not be required to hold more than one public hearing per application, regardless of the number of persons requesting a hearing.

In addition, the bill would provide that a surface owner that receives notice of a commercial disposal well but fails to provide notice of the application to each surface lessee or purchaser under a contract for deed, executory contract, or other executory conveyance of the tract, commits a Class C misdemeanor offense.

Although the bill could increase the application requirements and the amount of time required to process an application for a commercial disposal well, additional workload is not expected to be significant and could be handled through existing Railroad Commission resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: JOB, WK, TL