

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 24, 2007

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB3385 by Chisum (Relating to the use of certain state money for costs related to the relocation to this state of the Interstate Oil and Gas Compact Commission, for the support of that commission, and for related economic development.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3385, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2009.

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
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>COASTAL PROTECTION ACCT</i> 27
2008	(\$100,000)
2009	(\$80,000)
2010	\$0
2011	\$0
2012	\$0

Fiscal Analysis

The bill would allow the General Land Office to use the General Revenue-Dedicated Coastal Protection Account No. 27 to pay for the relocation and support of the Interstate Oil and Gas Compact Commission (IOGCC) if the IOGCC would relocate to Texas on or before December 31, 2008. It would also provide that the Coastal Protection Account No. 27 funds could be used for economic development related to the IOGCC. The amount to be disbursed for such costs could not exceed \$500,000 in any fiscal year. The bill would expire on August 31, 2009.

Methodology

This estimate assumes that the IOGCC would move from its current headquarters in Oklahoma to Austin in fiscal year 2008. It would require office space for its current 10 FTEs. Assuming that each employee will require 200 square feet of office space, a total of 2,000 square feet of office space will be required.

The GLO reports that the 2006 rate of office space in Austin's central business district was \$27.74 per square foot per year. Office space for the IOGCC would therefore cost an estimated \$55,480 per year. Miscellaneous expenses, including utilities, furnishing, etc. are estimated at \$44,520 for fiscal year 2008, and \$24,520 in fiscal year 2009. Costs are included in the table above only for fiscal years 2008 and 2009 because the bill would expire on August 31, 2009.

If the IOGCC would not choose to relocate, there would be no fiscal impact to the state.

This estimate does not assume that any funds from the Coastal Protection Account No. 145 would be used for economic development purposes by the IOGCC. If economic development activity costs were paid using such funds, the cost to the state in implementing the bill would increase; however, the cost could not exceed \$500,000 per fiscal year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 305 General Land Office and Veterans' Land Board, 455 Railroad Commission
LBB Staff: JOB, SD, JRO, WK, ZS, TL