

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 19, 2007

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: HB3837 by Gonzalez Toureilles (Relating to regulation by the Railroad Commission of Texas of uranium exploration.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3837, Committee Report 2nd House, Substituted: 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 Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Change in Number of State Employees from FY 2007
2008	\$180,803	(\$180,803)	2.0
2009	\$158,783	(\$158,783)	2.0
2010	\$158,783	(\$158,783)	2.0
2011	\$158,783	(\$158,783)	2.0
2012	\$158,783	(\$158,783)	2.0

Fiscal Analysis

The bill would provide for the Railroad Commission to issue permits for uranium exploration. The bill would provide the Railroad Commission with jurisdiction over uranium exploration holes and cased exploration wells until they are plugged and abandoned or registered with the Texas Commission on Environmental Quality (TCEQ) or included in an area permit issued by TCEQ.

The bill would authorize an application fee to recover the cost of administering the uranium exploration program. It would also require the Railroad Commission to provide written notice of when it receives and issues exploration permit applications to local governments in affected areas and members of the legislature who represent the affected areas. The bill also would require that persons

issued exploration permits report to the Railroad Commission with water quality information.

Methodology

The Railroad Commission currently has no staff or funding for the uranium exploration program. It is estimated that 2 FTE's would be needed to effectively implement the uranium exploration and permitting program. Expenses in the first year are primarily associated with hiring a geologist and a natural resources specialist, one field vehicle, computers, and related monitoring equipment and supplies. Staff-related costs would continue in future years. Estimated costs are \$180,803 in fiscal year 2008 and \$158,783 in each fiscal year thereafter. It is assumed these costs would be paid out of the General Revenue Fund. Because the bill provides for cost recovery, this estimate assumes that the Railroad Commission would set fees at a level equal to the costs of the program.

No significant costs to the TCEQ are anticipated upon passage of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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