

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

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

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

IN RE: **HB3838** by Gonzalez Toureilles (Relating to regulation of injection wells used for in situ uranium recovery by the Texas Commission on Environmental Quality.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3838, As Engrossed: a negative impact of (\$768,662) 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	(\$397,831)
2009	(\$370,831)
2010	(\$370,831)
2011	(\$370,831)
2012	(\$370,831)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$397,831)	9.0
2009	(\$370,831)	9.0
2010	(\$370,831)	9.0
2011	(\$370,831)	9.0
2012	(\$370,831)	9.0

Fiscal Analysis

The bill would provide that the Texas Commission on Environmental Quality (TCEQ) would have exclusive jurisdiction and regulation authority for in situ uranium mining wells used to develop areas subject to a permit. Wells associated with in situ uranium mining would be required to register with the TCEQ, but the registration requirement would cease if the well is included in an area permit issued by the agency. An applicant would be required to share any geologic, hydrologic, and water quality data concerning wells where application is made for an area permit with the appropriate groundwater conservation district.

The bill would also require that the Railroad Commission by rule provide that before a member or employee of the Railroad Commission enters public or private property located in a groundwater conservation district to inspect and investigate conditions relating to injection wells, monitoring

wells, disposal wells, or uranium production wells that a representative from the district must be invited to accompany the member or employee.

### **Methodology**

The Railroad Commission reports that there are over 50,000 injection wells and disposal wells permitted in the state. The agency reports that it conducts on average over 20,000 inspections of such wells in a given year. If it were required to invite a representative of a groundwater management district to accompany inspectors on every inspection, the agency expects that its administrative workload would increase significantly because the agency would be required to provide reasonable notice of inspections, thereby requiring more scheduling and correspondence activity. The notification requirement could also reduce the agency's ability to perform short-notice inspections, and it could decrease the agency's ability to perform as many inspections as it does currently. The agency expects that passage of the bill would require an additional FTE at each of the Railroad Commission's nine Oil and Gas Division regional offices, resulting in costs of \$397,831 in fiscal year 2008 and \$370,831 in subsequent years. This estimate assumes that these costs would be paid out of the General Revenue Fund.

Passage of the bill is not expected to result in significant increased workload at the TCEQ.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

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