

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 12, 2007**

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

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

**IN RE: SB1592** by Hinojosa (Relating to the requirements regarding reporting by a common carrier or pipeline owner or operator of contamination. ), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

For purposes of contamination report submitted to the Railroad Commission (RRC) by common carriers and pipeline owners or operators, the bill would provide that the owner of the land is any person who owns interest in the surface estate of a tract of land at the time a contamination report is required to be made, rather than the first person shown on the tax appraisal roll.

The bill would allow a common carrier or the owner or operator of a pipeline report any petroleum-based contamination of soil or water observed or detected in proximity to a pipeline while in the process of placing, repairing, replacing, or maintaining the pipeline to the occupant of the land in lieu of the surface owner as is required under current law. Further, if the owner or operator does not know the identity of the surface owner, the owner or operator would be authorized to satisfy the requirement to report contamination to the surface owner or occupant by making the report to the first person shown on the tax appraisal roll as owning an interest in the surface estate at the time the report is required to be made. The bill also would clarify that the soil samples required to be collected by the third business day after the date the RRC receives a contamination report be collected by a person who has entered into an agreement with the RRC to collect the samples on RRC's behalf, rather than just a person authorized by RRC.

The bill would not apply to contaminations associated with gathering lines or pipelines that are located entirely within tracts subject to oil and gas leases.

The bill also would remove language that under current law prohibits the RRC from using money in the General Revenue-Dedicated Oil Field Cleanup Account No. 145 for costs relating to contamination reports.

The bill's passage is not anticipated to result in significant fiscal implications to the Railroad Commission.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** JOB, WK, TL, KJG