

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 25, 2009**

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

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

**IN RE: HB1526** by Crossover (Relating to the authority of a common purchaser that transports natural gas by pipeline to use a public right-of-way for a pipeline.), **Committee Report 2nd House, Substituted**

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

The bill would amend the natural Resources Code to allow a common purchaser to lay, maintain, and operate a pipeline over, under, across, and along a public road only if (1) the pipeline complies with all safety regulations adopted by the Railroad Commission relating to pipeline facilities and all applicable state and county regulations and (2) the common purchaser ensures that the public road and any associated facility is promptly restored to its former condition of usefulness after the installation or maintenance of the pipeline.

Notwithstanding Section 203.092, Transportation Code, related to reimbursement costs for relocating utilities, the bill would authorize the Texas Department of Transportation (TxDOT) to require the owner or the operator of a natural gas pipeline to relocate the pipeline at the expense of the owner or operator if the pipeline is located on a right-of-way of the state highway system, or at the expense of the state if the pipeline is located on property in which the owner or operator of the pipeline has a private interest.

The Railroad Commission (RRC) states that the agency would be responsible for conducting safety evaluations on pipelines in the public right of way that do not meet the criteria of the Utilities Code, but are now included under the Natural Resources Code. The RRC also reports that the agency would have to conduct a survey or study to identify all of the affected pipelines located in the public right of way. Based on the analysis by the RRC, it is assumed associated costs could be absorbed within existing resources.

Based on the analysis of TxDOT, it is assumed that any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 455 Railroad Commission, 601 Department of Transportation

**LBB Staff:** JOB, SZ, TL, SD, DB, TG