

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 31, 2009

TO: Honorable Jim Keffer, Chair, House Committee on Energy Resources

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

IN RE: HB2087 by Homer (Relating to the state's statutory and contractual liens to secure the payment of unpaid royalty and other amounts due under oil and gas leases of state land.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would contractually obligate a lessee to grant to the state a lien on and security interest in all oil and gas in and extracted from the area covered by the lease, all proceeds which may accrue to the lessee from the sale of the oil and gas extracted from the area covered by the lease or from the area covered by any other lease of state land or minerals held by the lessee. The bill would thus assist the General Land Office in collecting lease revenues due to the state, that might otherwise be non-collectible under existing statute.

The amount of additional revenue expected to be collected as a result of the bill's passage is not expected to be significant.

Local Government Impact

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

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board

LBB Staff: JOB, WK, TL