

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 8, 2009

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

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

IN RE: HB2572 by Gonzalez Toureilles (relating to the authority of a gas corporation to use a public right - of - way.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would permit a gas corporation to lay and maintain lines under a municipal street or alley with the consent of the governing body of a municipality for a compensation payment. Passage of the bill is not expected to result in fiscal implications to state agencies.

Local Government Impact

The bill would permit a gas corporation to lay and maintain lines under a municipal street or alley with the consent of the governing body of a municipality for a compensation payment as defined by Section 121.2025, Utilities Code, or Section 182.025, Tax Code.

Travis County reported that under a license agreement, a gas corporation must post a bond or provide a line of credit to Travis County in order for them to obtain a public right-of-way of a county road. Travis County also requires the corporation to indemnify the county from any future liability that might be caused by the corporation's gas line.

Tarrant County reported that a gas corporation can only access a public right-of-way in Tarrant County by laying its pipe lines underneath a county road, and any expenses incurred are paid by the gas corporation.

The fiscal impact to a municipality to implement the provisions of the bill would vary depending on the amount of compensation payments received that would offset costs for the use of a municipal street or alley; however, those costs are not anticipated to be significant.

Source Agencies:

LBB Staff: JOB, SZ, TL, TP