

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 24, 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.), **As Introduced**

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. Under current law, a gas corporation has the right to lay and maintain lines over and across a municipal street or alley with the consent of the governing body of a municipality.

The Railroad Commission reports that passage of the bill may make it much more difficult to inspect gas pipelines compliance with pipeline safety regulations. However, the agency reports that the bill's passage is not expected to have a significant fiscal impact on the agency.

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. Under current law, a gas corporation has the right to lay and maintain lines over and across a municipal street or alley with the consent of the governing body of a municipality.

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; however, those costs are not anticipated to be significant.

Source Agencies: 455 Railroad Commission

LBB Staff: JOB, WK, TL, TP