

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

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

**April 27, 2009**

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

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

**IN RE: HB3658** by Corte (Relating to the creation of the pipeline safety fund.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3658, As Introduced: a negative impact of (\$5,000,000) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$2,500,000)
2011	(\$2,500,000)
2012	(\$2,500,000)
2013	(\$2,500,000)
2014	(\$2,500,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from General Revenue Fund 1</b>	<b>Probable Revenue Gain/(Loss) from New General Revenue Dedicated--Pipeline Safety Account</b>
2010	(\$2,500,000)	\$2,500,000
2011	(\$2,500,000)	\$2,500,000
2012	(\$2,500,000)	\$2,500,000
2013	(\$2,500,000)	\$2,500,000
2014	(\$2,500,000)	\$2,500,000

**Fiscal Analysis**

The bill would create a new General Revenue Dedicated account, the Pipeline Safety Account. The account would consist of pipeline safety fees, administrative, civil and criminal penalties, and settlements. Money in the account could only be appropriated to the Railroad Commission (RRC) for the implementation and enforcement of the pipeline safety standards and practices. The bill would repeal Utilities Code, Section 121.211(h), which currently directs the deposits of pipeline safety fees to the General Revenue Fund.

The bill would take effect September 1, 2009.

## **Methodology**

Fees and penalties related to pipeline safety were provided by the Comptroller of Public Accounts and estimated based on the 2010-2011 Biennial Revenue Estimate. These estimated amounts (\$2.5 million per fiscal year) represent the loss to the General Revenue Fund and the gain to the newly-created Pipeline Safety Account that would result upon passage of the bill.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 455 Railroad Commission, 405 Department of Public Safety, 537 State Health Services, Department of, 302 Office of the Attorney General

**LBB Staff:** JOB, TP, GG, LG, DB, SD, MN, ZS, TL