

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 20, 2009

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

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

IN RE: HB4247 by Keffer (Relating to the use of the proceeds of cash deposits filed with the Railroad Commission of Texas by certain persons under the jurisdiction of the commission and deposited in the oil-field cleanup fund.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would provide that cash deposits filed with the Railroad Commission and deposited to the General Revenue-Dedicated Oil Field Cleanup Account No. 145 be held in trust to be used only as provided in statute for the use of financial security related to well plugging and may not be commingled with other monies in the fund.

Upon passage of the bill, the Railroad Commission would be expected to create a separate trust fund for bonds and other financial security related to well plugging. The trust fund would be distinct and separate fund from the General Revenue-Dedicated Oil Field Cleanup Account No. 145 revenue appropriated to the Railroad Commission.

The bill is not expected to have a fiscal impact to the state because funds received for financial assurance are already separated within the Oil Field Cleanup Account No. 145 and not used for certification of the appropriations bill, until such time as the funds are made available to the account for expenditure, such as in the case of a well being abandoned.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission

LBB Staff: JOB, SD, TL