

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 14, 2009

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

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

IN RE: HJR62 by Farabee (proposing a constitutional amendment to provide that the Railroad Commission of Texas is governed by a single elected railroad commissioner.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR62, Committee Report 1st House, Substituted: a negative impact of (\$90,822) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$90,822)
2011	\$0
2012	\$0
2013	\$632,834
2014	\$949,251

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2010	(\$90,822)
2011	\$0
2012	\$0
2013	\$632,834
2014	\$949,251

Fiscal Year	Change in Number of State Employees from FY 2009
2010	0.0
2011	0.0
2012	0.0
2013	(6.7)
2014	(10.0)

Fiscal Analysis

The resolution provides for a constitutional amendment to permit a single Commissioner to govern the Railroad Commission, as opposed to a three-member commission under current law. The proposed amendment would be submitted to voters for approval on November 3, 2009. If the amendment is approved, the election of a single Commissioner will take place in November 2013, with the other two commissioner offices to be abolished on January 1, 2014.

Methodology

The cost of the state for publication of the resolution is \$90,882. This amount is shown out of the General Revenue Fund in fiscal year 2010.

Savings to the Railroad Commission would begin in 2013. This estimate assumes that assumes two of the three of the Commissioners' Offices, which includes two commissioners and eight additional staff that report to those commissioners, for a total of 10 FTEs eliminated. In 2013, only 8 months of reductions, or 6.7 FTEs would be realized. Savings to the General Revenue Fund also would be based on 8 months of savings estimated at \$632,834, with \$949,251 in savings in each subsequent year. Technology costs of \$7,895 are necessary in 2013 to implement website and programming related changes.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: JOB, SZ, ZS, TL, WK