

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 18, 2009

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

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

IN RE: SB656 by Fraser (Relating to notice of an application for a permit to dispose of oil and gas waste in a commercial disposal well; creating an offense.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require that the Railroad Commission (RRC) amend its rules to require additional notice of a commercial disposal well permit application. This would include applicants providing notice in the newspaper with the largest circulation in the county where the well is proposed to be located, and it would provide for additional persons to request a public hearing on the application for the well permit. As a result, the bill could result in a delay in the processing of such applications by increasing the administrative holding time that would be required to provide adequate time for the surface owners to receive notice, for the surface owners to notify the surface lessees and others as required by the bill, and to provide adequate time for the surface lessees to receive and respond to the notice if they so desire.

Although the bill could increase the application requirements and the amount of time required to process an application for a commercial disposal well, additional costs to the RRC associated with the bill's implementation are not expected to be significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission, 582 Commission on Environmental Quality

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