

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 13, 2009

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

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

IN RE: SB902 by Davis, Wendy (Relating to restrictions on the release into the air of natural gas and associated vapors from a gas well.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require that oil and gas well operators in counties with more than 1.4 million population located in a hydrocarbon-producing geologic formation with over 1,000 drilling permits issued by the Railroad Commission in 2008 to employ means to minimize the release of gas and associated vapors into the air during completion or recompletion of a well. Certain exceptions could be authorized by the Railroad Commission. Passage of the bill could result in an increased workload to the agency because it would have to evaluate applications for exceptions to the release requirements as prescribed by the bill. The agency reports that the bill would likely result in the need for 1.0 FTE and related costs of \$106,806 in fiscal year 2010 and \$81,704 in subsequent years. This analysis assumes that these costs could be absorbed within the Railroad Commission's existing budget.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: JOB, SZ, TL