

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

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

**April 9, 2009**

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

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

**IN RE: SB2170** by Seliger (Relating to the amount and use of certain fees imposed in connection with oil and gas activities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB2170, As Introduced: a positive impact of \$10,199,000 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	\$4,676,000
2011	\$5,523,000
2012	\$6,153,000
2013	\$6,822,000
2014	\$7,507,000

**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 Oil-field Cleanup Acct 145</b>
2010	\$4,676,000	(\$7,961,000)
2011	\$5,523,000	(\$8,791,000)
2012	\$6,153,000	(\$9,405,000)
2013	\$6,822,000	(\$10,057,000)
2014	\$7,507,000	(\$10,726,000)

**Fiscal Analysis**

The bill would reduce the Oil Field Cleanup Regulatory Fee deposited to the General Revenue-Dedicated Oil Field Cleanup Account No. 145 by 50 percent. The fee for oil production would drop from five-eighths of a cent per barrel to five-sixteenths of a cent and the fee for natural gas production from one-fifteenth of a cent on each 1,000 cubic feet to one-thirtieth of a cent. The bill would reduce to one-half the share of drilling permit fees deposited to the Oil Field Cleanup Account No. 145. However, the bill does not specify where the remaining one-half of fee collections would be deposited.

**Methodology**

Without a specific provision for the deposit of one-half of drilling permit fee collections deposited to the Oil Field Cleanup Account No. 145, this estimate assumes that one-half of the fees would instead

go to the General Revenue Fund. The revenue loss to the Oil Field Cleanup Account No. 145 would result from the reduction of the Oil Field Cleanup Regulatory Fee by 50 percent and the redirection of one-half of drilling permit fees to the General Revenue Fund. The gain to General Revenue would result from the redirection of one-half of drilling permit fees fee proceeds from the Oil Field Cleanup Account. The estimates presented in the table above were provided by the Comptroller of Public Accounts' Office.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 347 Public Finance Authority, 352 Bond Review Board, 455 Railroad Commission

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