

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 19, 2009

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB2355 by Hinojosa (Relating to the creation of the pipeline safety fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2355, As Introduced: a negative impact of (\$5,000,000) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$2,500,000)
2011	(\$2,500,000)
2012	(\$2,500,000)
2013	(\$2,500,000)
2014	(\$2,500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from New General Revenue Dedicated--Pipeline Safety Account
2010	(\$2,500,000)	\$2,500,000
2011	(\$2,500,000)	\$2,500,000
2012	(\$2,500,000)	\$2,500,000
2013	(\$2,500,000)	\$2,500,000
2014	(\$2,500,000)	\$2,500,000

Fiscal Analysis

The bill would create a new General Revenue Dedicated account, the Pipeline Safety Account. The account would consist of pipeline safety fees, administrative, civil and criminal penalties, and settlements. Money in the account could only be appropriated to the Railroad Commission (RRC) for the implementation and enforcement of the pipeline safety standards and practices. The bill would repeal Utilities Code, Section 121.211(h), which currently directs the deposits of pipeline safety fees to the General Revenue Fund.

The bill would take effect September 1, 2009.

Methodology

Fees and penalties related to pipeline safety were provided by the Comptroller of Public Accounts and estimated based on the 2010-2011 Biennial Revenue Estimate. These estimated amounts (\$2.5 million per fiscal year) represent the loss to the General Revenue Fund and the gain to the newly-created Pipeline Safety Account that would result upon passage of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 455 Railroad Commission

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