

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 23, 2011

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

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

IN RE: HB2126 by Parker (Relating to the amount and use of an administrative penalty imposed by the Railroad Commission of Texas for certain violations that occur in certain populous natural gas producing counties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would define an "urban natural gas producing county" as a county with a population of 650,000 or more and in which there are more than 2,000 producing gas wells. The bill would authorize a penalty of up to \$20,000 a day for each safety or pollution violation in an urban natural gas producing county. The maximum penalty for all other counties would remain at \$10,000 per day for each violation. Based on population data and data from the Railroad Commission, the bill is expected to affect operators of wells in Tarrant and Denton Counties.

Passage of the bill is not expected to have a significant impact on the Railroad Commission's workload. Additional penalty collections as a result of the increase in the penalty amount for certain counties is not expected to be significant.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission

LBB Staff: JOB, SZ, TL