

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 20, 2011**

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

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

**IN RE: SB1296** by Hegar (Relating to the use of proceeds of bonds and other financial security filed with the Railroad Commission of Texas by certain persons under the jurisdiction of the commission and deposited in the oil-field cleanup fund.), **Committee Report 2nd House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would allow the Railroad Commission to use of the proceeds from bonds and other financial assurance instruments that are deposited to the General Revenue-Dedicated Oil Field Cleanup Account No. 145 to be used to pay, after the date the penalty is due, an administrative penalty imposed by the Railroad Commission that a person would fail to pay.

The Railroad Commission reports that once a collection is available for refund, agency staff works with the operator to apply funds from the collection to cover the outstanding administrative penalties and then refunds the remainder. As a result of this practice and the fact that the bill does not expand the collection of financial assurance, no significant additional revenue is expected to be collected as a result of the bill's passage.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 455 Railroad Commission

**LBB Staff:** JOB, SZ, TL