

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 1, 2011

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural 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.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>

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 an administrative penalty imposed by the Railroad Commission if a person fails to pay before the penalty is due.

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