

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 18, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB448 by Dukes (Relating to a requirement that the operator of an oil or gas well on which a hydraulic fracturing treatment is to be performed mail a list of the chemicals to be used in the treatment to persons residing near the well.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code, to add §91.852, relating to disclosure to nearby residents of chemical ingredients anticipated to be used in hydraulic fracturing treatment. The new section would require the Railroad Commission to adopt a rule that would require an operator of a well on which a hydraulic fracturing treatment is to be performed to mail to each person residing within 500 feet of the well a list of the chemical ingredients that the operator anticipates will be used in the hydraulic fracturing treatment and is required to disclose to the commission. The bill would prescribe a process by which the operator could withhold and declare the identity of a chemical ingredient anticipated to be used in the hydraulic fracturing treatment as a trade secret, and a person to whom the notice is required to be mailed would be authorized to challenge a claim by the operator of entitlement to trade secret protection. The Act would be effective on September 1, 2013.

Any additional costs to the Railroad Commission resulting from the bill's passage are not expected to be significant and would be expected to be absorbed using existing agency resources.

Local Government Impact

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

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, TL