

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION
Revision 1

April 29, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2406** by Wu (Relating to the installation, maintenance, operation, and relocation of saltwater pipeline facilities.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would add a new Subchapter T to Natural Resources Code, Chapter 91, entitled Saltwater Pipelines. The bill would allow a saltwater pipeline operator to install, maintain, and operate a saltwater pipeline facility (as defined by the bill) through, under, along, across, or over a public road only if the pipeline facility complies with applicable saltwater safety regulations relating to saltwater pipeline facilities. Such regulations would include rules adopted by the Railroad Commission and the Texas Transportation Commission and applicable federal, county, and municipal regulations regarding the accommodation of utility facilities on a public road or right-of-way, including regulations relating to the horizontal or vertical placement of the pipeline facility. Saltwater pipeline operators would be required to ensure that public roads and associated facilities would be promptly restored to their former condition of usefulness after the installation or maintenance of the pipeline facility is complete.

No significant fiscal implications to the Railroad Commission are expected as a result of the bill's passage.

Regarding impacts of the bill to the Texas Department of Transportation (TxDOT), Transportation Code, Section 203.092, requires a utility to make a relocation of a utility facility at the expense of the state if relocation of the utility facility is required by improvement of interstate highways, toll projects, and related easements. TxDOT's costs for such projects could increase if the projects would require the relocation of a saltwater pipeline facility. Based on the information provided by TxDOT, it is assumed any additional costs for the relocation would be accommodated within the agency's existing highway planning and construction funds.

Local Government Impact

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

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, TL