

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 13, 2013

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3309 by Crowover (Relating to the composition and use of money in the oil and gas regulation and cleanup fund.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3309, As Engrossed: a negative impact of (\$927,234) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$463,617)
2015	(\$463,617)
2016	(\$463,617)
2017	(\$463,617)
2018	(\$463,617)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Oil & Gas Regulation</i> 5155	Probable Savings/(Cost) from <i>Oil & Gas Regulation</i> 5155
2014	(\$1,400,000)	\$936,383	\$1,400,000	(\$936,838)
2015	(\$1,400,000)	\$936,383	\$1,400,000	(\$936,838)
2016	(\$1,400,000)	\$936,383	\$1,400,000	(\$936,838)
2017	(\$1,400,000)	\$936,383	\$1,400,000	(\$936,838)
2018	(\$1,400,000)	\$936,383	\$1,400,000	(\$936,838)

Fiscal Analysis

The bill would provide that fees collected under Natural Resources Code, § 91.0115, for surface casing determination (groundwater protection) letters fees be deposited to the General Revenue-Dedicated Oil and Gas Regulation and Cleanup (OGRC) Account No. 5155.

The bill would take effect on September 1, 2013.

Methodology

Currently, funds collected for surface casing letters of determination are deposited into General Revenue and then a portion of those funds are appropriated to the Railroad Commission as part of the agency's General Revenue funding. The agency reports collections of \$1,441,882 in fiscal year 2012 from the expedited fee for surface casing letters of determination, and a General Revenue appropriation for the purpose of making surface casing determinations of \$784,740 for the same year.

According to the Comptroller of Public Accounts, upon passage of the bill, revenue to the General Revenue Fund would decrease by an estimated \$1.4 million per fiscal year. Assuming fiscal year 2012 appropriation levels for the surface casing program will continue through fiscal year 2018, and assuming that amounts associated with employee benefits for surface casing FTEs currently paid out of General Revenue (estimated to be \$161,643) would shift to the OGRC Account No. 5155 upon passage of the bill, it is estimated that costs out of the General Revenue Fund would decrease by \$0.9 million per fiscal year. Likewise, revenues to the Oil and Gas Regulation and Cleanup Account No. 5155 would increase by \$1.4 million, while costs to the account would increase by \$0.9 million. per fiscal year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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