

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 4, 2013

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1625** by Davis (Relating to standards and procedures for determining whether a person who owns, operates, or manages a pipeline is a common carrier.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require a pipeline operator to file an application with the Railroad Commission to obtain a permit to operate as a common carrier pipeline. The Railroad Commission would decide based on an application whether a pipeline is a common carrier. The agency would then notify each landowner of the land the pipeline will cross. Such landowners could then file a protest, which would be referred by the Railroad Commission to the State Office of Administrative Hearings (SOAH) for decision. SOAH would conduct a hearing, make a decision, and inform the Railroad Commission of its decision.

The bill further would require a report by the pipeline operator, within 18 months after the common carrier permit is issued, that details the operation of the pipeline. The Railroad Commission could, based on the information contained in the report, revoke the permit. The law would require that the permit holder have notice of the intent to revoke and an opportunity to contest the revocation in a hearing.

The Commission would be required to adopt rules no later than January 1, 2014 and the bill would take effect September 1, 2013.

The Railroad Commission would incur some administrative costs in determining common carrier status for pipelines and handling requests for hearings as a result of the bill's passage. SOAH would also incur some costs in handling contested case hearings. This estimate assumes that the additional costs would not be significant and could be absorbed using existing agency resources.

Local Government Impact

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

Source Agencies: 360 State Office of Administrative Hearings, 455 Railroad Commission

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