

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 6, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2230** by Larson (Relating to the authority of the Texas Commission on Environmental Quality to authorize an injection well used for oil and gas waste disposal to be used for the disposal of nonhazardous brine produced by a desalination operation or nonhazardous drinking water treatment residuals.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would allow dual authorization of Class II and Class V injection wells for the disposal of non-hazardous brine from a desalination operation or nonhazardous drinking water treatment residuals (DWTR) into a Class II injection well permitted by the Railroad Commission (RRC). The bill would allow the Texas Commission on Environmental Quality (TCEQ) to provide, by individual permit, general permit, or authorization-by-rule, a Class V injection well authorization for the disposal of such brine and DWTR in a Class II well permitted by the RRC

TCEQ reports that the agency's regional offices currently conduct investigations to verify the existence of Class V wells at non-Class II sites. The bill provides that TCEQ would have authorization over Class V injection at Class II wells that are currently solely under RRC's jurisdiction. Based on this new jurisdiction, TCEQ would need the capability to conduct investigations at Class II well sites. It is anticipated that current TCEQ investigative staffing would be adequate to handle these additional investigations if the number of new Class V authorizations at Class II wells are low. Thus, it is expected that the TCEQ could use existing resources to implement the provisions of the bill.

RRC expects no significant fiscal implications as a result of the bill's passage.

Local Government Impact

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

Source Agencies: 455 Railroad Commission, 582 Commission on Environmental Quality

LBB Staff: UP, SZ, TL