

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 9, 2017

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2715 by Darby (Relating to the composition and use of money in the oil and gas regulation and cleanup fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2715, As Introduced: a negative impact of (\$65,567,000) through the biennium ending August 31, 2019. In addition, a positive impact of \$65,567,000 to General Revenue Dedicated Account 5155 would be realized through the biennium ending August 31, 2019.

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
2018	(\$32,485,000)
2019	(\$33,082,000)
2020	(\$33,684,000)
2021	(\$34,290,000)
2022	(\$34,900,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Oil & Gas Regulation</i> 5155
2018	(\$32,485,000)	\$32,485,000
2019	(\$33,082,000)	\$33,082,000
2020	(\$33,684,000)	\$33,684,000
2021	(\$34,290,000)	\$34,290,000
2022	(\$34,900,000)	\$34,900,000

Fiscal Analysis

This bill would amend the Natural Resources Code and the Utilities Code to redirect certain revenues collected by the Railroad Commission (RRC) from General Revenue to General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 (Fund 5155). The bill would expand the authority of RRC to use funds in Fund 5155 for regulatory programs related to liquefied petroleum gas, compressed natural gas, liquefied natural gas safety, the regulation of the rates and services of gas utilities, and the administration of surface mining.

The bill would take effect September 01, 2017.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

The fiscal impact analysis is based on the Comptroller's 2018-19 Biennial Revenue Estimate. Annual revenue losses in General Revenue would be offset by gains in Fund 5155 under the provisions of the bill.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission
LBB Staff: UP, SZ, MW, PBO