

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 26, 2017

TO: Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB568** by Rodríguez (relating to the posting by the Railroad Commission of Texas on its Internet website of certain enforcement information.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB568, Committee Report 1st House, Substituted: a negative impact of (\$30,743) through the biennium ending August 31, 2019.

The provisions of the bill may only be implemented with funding provided in the General Appropriations Act of the 85th Legislature for the biennium beginning September 1, 2017, that would be available to be spent on the website publication of information related to the Railroad Commission's inspection and enforcement activities.

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	(\$18,630)
2019	(\$12,113)
2020	(\$12,113)
2021	(\$12,113)
2022	(\$12,113)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Oil & Gas Regulation 5155
2018	(\$18,630)	(\$124,681)
2019	(\$12,113)	(\$81,064)
2020	(\$12,113)	(\$81,064)
2021	(\$12,113)	(\$81,064)
2022	(\$12,113)	(\$81,064)

Fiscal Analysis

The bill would amend the Natural Resources Code to require the Railroad Commission (RRC) to make available on its website a searchable database containing information related to the agency's inspection and enforcement activities, violations, and penalties. The data would be required to be organized by county, by operator, and by well, if applicable, and to be capable of being downloaded in bulk. The bill would require the implementation of the provisions of the bill no later than January 1, 2019.

The bill would require the RRC to implement the provisions of the bill only with funding provided in the General Appropriations Act of the 85th Legislature for the biennium beginning September 1, 2017, for public information and services and that is available to be spent on website publication of information related to the RRC's inspection and enforcement activities. The bill would also require the RRC to notify the Legislative Budget Board upon making a determination that the legislature has not appropriated funds for that purpose.

The bill would take effect September 1, 2017.

Methodology

Based on information provided by the RRC, a database server (\$10,000) and specialized reporting software (\$30,000) to create the searchable database required by the bill would be needed. RRC would also need an additional system analyst IV to implement the software and maintain the database (\$93,177 per year for salary and benefits and \$10,134 in one-time costs).

This analysis assumes the same method of finance split (13 percent General Revenue and 87 percent General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account Fund 5155) in the table above as the RRC included in an exceptional item request submitted to the Eighty-fifth Legislature for funding to implement an extensive tracking and reporting initiative that would make significant amounts of data available to the public.

Technology

Costs include \$10,000 for a new database server and \$30,000 for specialized reporting software to create the searchable database.

Local Government Impact

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

Source Agencies: 455 Railroad Commission

LBB Staff: UP, PM, PBO, SZ, MW, RC