

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 9, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1817 by Burton (Relating to the deposit of the gas utility pipeline tax to the credit of the oil and gas regulation and cleanup fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1817, As Introduced: a negative impact of (\$50,700,000) through the biennium ending August 31, 2019. In addition, there would be a gain of \$50,700,000 to General Revenue-Dedicated Account 5155 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 | (\$25,100,000) |
| 2019 | (\$25,600,000) |
| 2020 | (\$26,100,000) |
| 2021 | (\$26,600,000) |
| 2022 | (\$27,100,000) |

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 and Cleanup</i> <i>Account No.</i> 5155 |
|-------------|--|---|
| 2018 | (\$25,100,000) | \$25,100,000 |
| 2019 | (\$25,600,000) | \$25,600,000 |
| 2020 | (\$26,100,000) | \$26,100,000 |
| 2021 | (\$26,600,000) | \$26,600,000 |
| 2022 | (\$27,100,000) | \$27,100,000 |

Fiscal Analysis

The bill would amend the Natural Resources Code to redirect revenue from the gas utility pipeline tax collected by the Railroad Commission under Chapter 122 of the Utilities Code from General Revenue to the General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 (Fund 5155).

The bill would take effect September 1, 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