

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 19, 2021

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3416 by Darby (Relating to disclosures regarding indemnification obligations and insurance coverage in connection with provision of services pertaining to wells or mines by certain subcontractors.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The bill would amend the Civil Practice and Remedies Code to make certain indemnity agreements between contractors and subcontractors subject to the requirements of Chapter 127 of the Civil Practice and Remedies Code that concerns indemnity provisions in certain mineral agreements.

Based on the analysis of the Texas Commission on Environmental Quality and the Railroad Commission, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be absorbed with existing resources.

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: JMc, AJL, DA, MW, GDZ