

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 22, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1259** by Birdwell (Relating to causes of action for withholding payments of the proceeds from the sale of oil and gas production.), **Committee Report 1st House, Substituted**

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| <p><b>No significant fiscal implication to the State is anticipated.</b></p> |
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The bill would amend the Natural Resources Code to provide that a payee does not have a common law cause of action for breach of contract against a payor for withholding oil and gas payments in certain circumstances.

Based on information provided by the Office of Court Administration, no significant fiscal implications to the state court system is anticipated due to implementing the provisions of the bill.

The bill would take effect immediately upon enactment if it receives a two-thirds majority vote in both houses. If not, the bill would take effect September 1, 2021.

**Local Government Impact**

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

**Source Agencies:** 212 Office of Court Admin, 304 Comptroller of Public Accounts, 455 Railroad Commission

**LBB Staff:** JMc, AJL, DA, SLE, MW