

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 7, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB106 by King (relating to the maintenance of overhead electrical power lines associated with oil and gas development and production; authorizing an administrative penalty.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB106, Committee Report 1st House, Substituted: a negative impact of (\$12,071,062) through the biennium ending August 31, 2027.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$6,859,256)
2027	(\$5,211,806)
2028	(\$5,211,806)
2029	(\$5,211,806)
2030	(\$5,211,806)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$6,859,256)	49.0
2027	(\$5,211,806)	49.0
2028	(\$5,211,806)	49.0
2029	(\$5,211,806)	49.0
2030	(\$5,211,806)	49.0

Fiscal Analysis

The bill would require operators of oil and gas wells to maintain an overhead electrical distribution system line owned by the owner or operator and associated with operations incident to oil and gas development and production in accordance with rules adopted by the Railroad Commission (RRC), and would require RRC to assess a penalty against an operator that RRC determines has violated such a rule.

Methodology

Based on information from RRC, the bill would require \$6,859,256 in General Revenue in fiscal year 2026 and \$5,211,706 in each fiscal year after, and 49.0 FTEs. These FTEs include 30.0 Engineering Specialist IVs (\$2,261,279) to inspect new power lines that would be required under the bill, 10.0 Administrative Assistant IIIs (\$439,135) to assist with inspection planning, operator violation notices, landowner complaints, and other administrative functions as each of the 10 district offices, 2.0 Attorney IVs (\$249,212), 2.0 Legal Assistant IVs (\$150,752), and 2.0 Engineering Specialist IIIs (\$132,509) for enforcement against violations and hearings proceedings, and 1.0 Human Resource Specialist V (\$80,421), 1.0 Training and Development Specialist IV (\$66,255), and 1.0 Information Technology Support Specialist IV (\$66,255) for HR and IT functions related to recruitment, on boarding, training, and system support. Additional costs include \$979,301 each fiscal year for employee benefits, \$51,687 each fiscal year for the payroll contribution, \$735,000 each fiscal year for other operating expenses, and \$1,647,450 in fiscal year 2026 for trucks for the 30.0 new inspectors.

Based on information provided by the Comptroller of Public Accounts, the fiscal implications from assessed and collected penalties associated with implementing the provision of the bill cannot be determined because the number of violations that would be incurred as well as the amounts of the administrative penalty assessed are unknown.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 455 Railroad Commission

LBB Staff: JMc, WP, MW, JOc