

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

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**March 18, 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 certain improvements associated with oil and gas development and production; authorizing an administrative penalty.), **As Introduced**

The fiscal implications of the bill cannot be determined because the number of miles of leased roads at well sites and the cost to assess the condition of those roads is unknown. In addition, the number of violations that would be incurred, as well as the amounts of the administrative penalty assessed on those violations, are unknown.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would amend Natural Resources Code to require oil and gas operators to maintain infrastructure between the wellhead and the highway associated with operations incident to oil and gas development production. The bill would require Railroad Commission's (RRC) to assess an administrative penalty for violations of rules adopted under the provisions of the bill. The bill would not include a definition of the term "infrastructure."

Based on information provided by the RRC, the fiscal impact associated with determining the condition of leased roads located between wellheads and highways associated with operations incident to oil and gas development production cannot be determined because the number of miles of leased roads and the cost to assess the condition of those roads is unknown.

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