

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 9, 2025

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2122 by Zaffirini (relating to imposition of application fees for certain permits and permit amendments for the disposal of oil and gas waste.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2122, Committee Report 2nd House, Substituted: an impact of \$0 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>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain from <i>Oil & Gas Regulation</i> 5155
2026	\$1,217,500
2027	\$1,217,500
2028	\$1,217,500
2029	\$1,217,500
2030	\$1,217,500

Fiscal Analysis

This bill would amend the Natural Resources Code to revise application fees for permits related to the disposal of oil and gas waste under the jurisdiction of the Railroad Commission of Texas (RRC). The bill would define land application, land farm, and land treatment permits, which authorize different methods of disposing of oil and gas waste by incorporating it into soil. The bill would establish new permit and amendment fees, including \$500 for a land farm, land treatment, or land application permit or amendment; \$2,000 for a commercial oil and gas waste separation facility permit; \$1,000 for an amendment to a commercial waste separation facility permit; \$3,000 for a commercial surface oil and gas waste facility permit; and \$1,000 for an amendment to a commercial surface waste facility permit.

Methodology

Based on the analysis of the Comptroller of Public Accounts and the RRC, it is assumed that there would be a revenue gain to General Revenue-Dedicated Account No. 5155 from permit application fee changes totaling \$1,217,500 in fiscal year 2026 and continuing each subsequent fiscal year.

Based on information provided by the RRC, it is assumed that any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

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: JMc, JPE, MW, JOc, RStu, TUf