

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1803-01
Bill No.: HB 706
Subject: Property, Real and Personal; Energy
Type: Original
Date: April 15, 2011

Bill Summary: Would consider a petroleum or natural gas pipeline easement abandoned if the easement is not used for the purpose described in the conveyance for a period of ten years.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Various	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on Other State Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Attorney General**, the **Department of Agriculture**, the **Department of Economic Development**, **Office of Public Counsel**, the **Department of Insurance**, **Financial Institutions**, and **Professional Registration**, the **Department of Revenue**, and the **State Tax Commission** assume this proposal would have no fiscal impact to their organizations.

Officials from the **Department of Natural Resources** assume this proposal would have no direct fiscal impact to their organization.

Officials from the **Department of Transportation** stated that state agencies and political subdivisions who own land which is burdened by a petroleum or natural gas pipeline easement would have an impact.

Oversight notes that this proposal would require the property owner to pay the owner of the easement the amount which was originally paid for the easement, and the easement owner would be required to remove all improvements to the easement and restore the property to its condition before the creation of the easement. Oversight is not able to determine the number, if any, of properties owned by state agencies or local governments which are subject to pipeline easements. Accordingly, Oversight will indicate an impact from \$0, if no pipelines would be abandoned, to (Unknown) if multiple pipelines would be abandoned, for the General Revenue Fund, various state funds, and for local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
---	---------------------	---------	---------

GENERAL REVENUE FUND

<u>Cost</u> - repayment of easement purchase	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
--	-----------------------------------	-----------------------------------	-----------------------------------

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
---	---	---	---

VARIOUS STATE FUNDS

<u>Cost</u> - repayment of easement purchase	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
--	-----------------------------------	-----------------------------------	-----------------------------------

ESTIMATED NET EFFECT TO VARIOUS STATE FUNDS	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
--	---	---	---

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
---	---------------------	---------	---------

LOCAL GOVERNMENTS

<u>Cost</u> - repayment of easement purchase	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
--	-----------------------------------	-----------------------------------	-----------------------------------

ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
--	---	---	---

FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact to small businesses involved in pipeline ownership or operation.

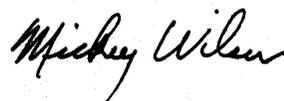
FISCAL DESCRIPTION

The proposed legislation would consider a petroleum or natural gas pipeline easement abandoned if the easement is not used for the purpose described in the conveyance for a period of ten years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Department of Agriculture
Department of Economic Development
Office of Public Counsel
Department of Insurance, Financial Institutions, and Professional Registration
Department of Natural Resources
Department of Revenue
State Tax Commission
Department of Transportation



Mickey Wilson, CPA
Director
April 15, 2011