

AN ACT

relating to a study on abandoned oil and gas wells in this state and the use of the oil and gas regulation and cleanup fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. (a) A joint interim committee is created to study abandoned oil and gas wells in this state and the use of the oil and gas regulation and cleanup fund.

(b) The committee shall be composed of:

(1) five members appointed by the lieutenant governor; and

(2) five members appointed by the speaker of the house of representatives.

(c) The committee shall convene at the call of the presiding officer.

(d) The committee has all other powers and duties provided to a special or select committee by the rules of the senate and house of representatives, by Subchapter B, Chapter 301, Government Code, and by policies of the senate and house committees on administration.

(e) Not later than the 60th day after the effective date of this Act, the lieutenant governor and the speaker of the house of representatives shall appoint the members of the interim committee created under this section.

(f) The committee shall:

1 (1) study matters related to abandoned oil and gas
2 wells in this state, including the costs associated with plugging
3 abandoned wells and bonding requirements imposed on owners or
4 operators of oil and gas wells;

5 (2) identify potential solutions to reduce the need
6 for general revenue spending to plug abandoned wells;

7 (3) conduct a review of the oil and gas regulation and
8 cleanup fund, including:

9 (A) revenue sources of the fund;

10 (B) projected revenue for the fund through fiscal
11 year 2025 based on the fund's existing fee and fine structure; and

12 (C) an assessment of the rules and statutory
13 limits that determine the amount of the fees and fines that
14 contribute to the fund; and

15 (4) evaluate and identify other sources of potential
16 revenue, including federal funds and other existing taxes and fees
17 paid to the benefit of the state which could be utilized to meet the
18 goals of the committee.

19 (g) The Railroad Commission of Texas shall provide
20 information to the committee necessary to conduct the study under
21 Subsection (f) of this section, including information related to:

22 (1) budget and performance measures of the commission
23 and fees and fines collected by the commission; and

24 (2) any regulatory or statutory changes needed to
25 assure adequate operating revenue for the commission, including
26 revenue used to plug abandoned oil and gas wells.

27 (h) Not later than December 1, 2022, the joint interim

1 committee shall report the committee's findings and
2 recommendations to the legislature.

3 (i) The committee is abolished and this section expires
4 January 1, 2023.

5 SECTION 2. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 3973 was passed by the House on April 29, 2021, by the following vote: Yeas 108, Nays 37, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3973 on May 30, 2021, by the following vote: Yeas 141, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3973 was passed by the Senate, with amendments, on May 24, 2021, by the following vote: Yeas 29, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor