

## **BILL ANALYSIS**

S.B. 619  
By: Armbrister  
Energy Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Oil Spill Prevention and Response Act of 1991 (“OSPRA”) (Chapter 40, Natural Resources Code) established the General Land Office as the lead agency for prevention of and response to oil spills in Texas coastal waters. OSPRA’s policy statement specifies that the “legislature declares that it is the intent of this chapter to support and complement the Oil Pollution Act of 1990 (Pub. L. 101-380) and other federal law, specifically those provisions relating to the national contingency plan for cleanup of oil and hazardous substance spills and discharges.” Since OSPRA was enacted, the Land Office has coordinated its implementation of the statute in keeping with the above mandate. The agency works very closely with the U.S. Coast Guard to implement the statute in a manner that supports and complements efforts at the federal level to prevent and respond to accidental discharges of oil into coastal waters.

In implementing the Oil Pollution Act, the Coast Guard has used Area Contingency Plans to guide its oil spill response planning. The Land Office has participated in the development and implementation of these Area Contingency Plans, which are part of the National Contingency Plan. The Land Office has not promulgated a state discharge contingency plan because the Area Contingency Plans, which cover the entire Texas coast, have served the same purpose.

By current statute, the Railroad Commission is responsible for crude oil or condensate spills of 240 barrels or less, and the General Land Office is responsible for spills that exceed 240 barrels.

In Fiscal year 2002, the General Land Office conducted 868 maritime oil spill responses and the Railroad Commission responded to 17 maritime oil spills. Approximately 98% of all coastal oil spills fall within the General Land Office’s jurisdiction, and only 2% are in the jurisdiction of the Railroad Commission.

In implementing more cost effective government, SB 619 provides for the consolidation of all oil spill clean-up duties and allows the General Land Office to assume the responsibilities including that of the Railroad Commission’ jurisdiction over coastal spills from exploration and production facilities of 240 barrels or less. This provision will require no additional FTE’s to the General Land Office. SB 619 will allow the General Land Office to respond more efficiently and effectively to oil spills and it will create less confusion.

### **RULEMAKING AUTHORITY**

It is the committee’s opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Section 40.002(c), Natural Resources Code.

Section 40.002 (c) amends this section by deleting references to the state coastal discharge contingency plan through planning and coordination with Texas Natural Resources Conservation Commission (TNRCC) to protect coastal water from all types of spills and discharge.

SECTION 2. Sections 40.003(13), (17), (22), Natural Resources Code.

Sections 40.003 (13), (17), (22) make conforming changes by changing the name of the Texas Natural Resource Conservation Commission (TNRCC) to the Texas Commission on Environmental Quality (TCEQ).

SECTION 3. Section 40.005, Natural Resources Code.

Section 40.005. ADMINISTRATION OF HAZARDOUS SUBSTANCE SPILL RESPONSE AND CLEANUP.

Makes conforming changes by changing the name of the TNRCC to the TCEQ, and deletes references to the state coastal discharge contingency plan.

SECTION 4. Section 40.052, Natural Resources Code.

Section 40.052. HAZARDOUS SUBSTANCE DISCHARGE.

Makes conforming changes by changing the name of the TNRCC to the TCEQ, and deletes references to the state coastal discharge contingency plan.

SECTION 5. Section 40.101(c), Natural Resources Code.

Section 40.101(c) makes conforming changes by changing the name of the TNRCC to the TCEQ.

SECTION 6. Section 40.103(b), Natural Resources Code.

Section 40.103(b) deletes references to the state coastal discharge contingency plan.

SECTION 7. Section 40.104, Natural Resources Code.

Section 40.104. QUALIFIED IMMUNITY FOR RESPONSE ACTIONS.

(a) and (b) deletes references to the state coastal discharge contingency plan.

SECTION 8. Section 40.107 (a)(1) , Natural Resources Code.

Section 40.107 (a)(1), deletes references to the state coastal discharge contingency plan.

SECTION 9. Sections 40.107 (c)(1) and (4), Natural Resources Code.

Section 40.107 (c)(1) deletes references that the inventory shall be incorporated into the state coastal discharge contingency plan after public review and comment.

Section 40.107 (c)(4) deletes references to the coastal discharge contingency plan.

SECTION 10. Section 40.116, Natural Resources Code.

Section 40.116 AUDITS, INSPECTIONS, and DRILLS.

Deletes a phrase which indicates the Land Office may assert authority to deny a vessel entry into port. The amended section still allows the Land Office to conduct audits, inspections, and drills of vessels, but these are not related to vessels being allowed entry into Texas ports.

SECTION 11. Section 40.151(b), Natural Resources Code.

Section 40.151(b) is amended by adding that interest or income on the Coastal Protection Fund will be credited to the fund.

SECTION 12. Section 40.152(a) Natural Resources Code.

Section 40.152(a)(8) deletes a provision dealing with inventory under Section 40.107, to be completed by September 1, 1995, in an amount not to exceed \$6 million. This Section provides Subsection(10) that allows the General Land Office work in conjunction with the Railroad Commission to plug abandoned or orphaned wells located on state-owned submerged lands.

SECTION 13. Section 40.152(b), Natural Resources Code.

Section 40.152(b) deletes the provision in Sec. 40.152(b) which appropriated \$2.5 million from the Coastal Protection Fund to the GLO for the agency's administrative cost. The section also adds language to Sec. 40.152(b) to appropriate funds to the GLO for implementing Section. 40.152(a), Subsections. (2), (3), (4), and (7).

SECTION 14. Section 40.254 (g)(3), Natural Resources Code.

Section 40.254 (g)(3) removes references to the requirement that a party seeking judicial review of an administrative penalty assessment submit the penalty or a supersedeas bond to the Land Office as a prerequisite to judicial review.

SECTION 15. Section 40.254 (h)(1), Natural Resources Code.

Section 40.254 (h)(1) deletes the provision that allows the commissioner to execute a release of the bond if a superseadeas bond has been posted.

SECTION 16. Section 40.258(a)(1), (2), and (3), Natural Resources Code.

Section 40.258(a)(1), (2), and (3), deletes references to the state coastal discharge contingency plan.

SECTION 17. repeals Sections 40.006, 40.053, 40.110(f), 40.115, 40.117(b), 40.151(e), 40.254(g)(2), and 40.303, Natural Resources Code.

SECTION 18. This Act takes effect September 1, 2003.

**EFFECTIVE DATE**

This Act takes effect September 1, 2003