

By: Hunter

H.B. No. 3368

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Energy Resource Council.

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

SECTION 1. Title 70, Revised Statutes, is amended by adding Article 4413(47g) to read as follows:

Art. 4413(47g). TEXAS ENERGY RESOURCE BOARD

ARTICLE 1. GENERAL PROVISIONS

Sec. 1.01. In this Act:

(1) "Condensate" has the meaning assigned by Section 201.001, Tax Code.

(2) "Gas" has the meaning assigned by Section 201.001 Tax Code.

(3) "Oil" has the meaning assigned by Section 202.001 Tax Code.

(4) "Person" means any individual, group of individuals, or any partnership, corporation, association, cooperative, or employee thereof, or any other entity.

(5) "Qualified producer association" means any non-profit entity organized under Internal Revenue Service Code 501(c)(6) in existence as of September 1, 2003, a majority of whose Governing body is composed of persons involved in the exploration and production of oil and gas in the State of Texas.

ARTICLE 2. TEXAS ENERGY RESOURCE COUNCIL

Sec. 2.01. (a) The Texas Energy Resource Council is created

1 and is composed of nine members.

2 (b) The governor shall appoint the members of the council
3 from lists provided by qualified producer associations.

4 (c) Appointed members serve for staggered terms of three
5 years with the terms of three members expiring on December 31 of
6 each year.

7 (d) The governor shall appoint an individual to fill the
8 unexpired portion of the term of a vacancy of an appointed member of
9 the council in the same manner as the original appointment.

10 (e) After September 1, 2003, the members of the council
11 appointed by the governor may by majority vote appoint a
12 representative from the following groups:

13 (1) a representative of royalty owners;

14 (2) a representative of the crude oil purchasing
15 industry; and

16 (3) a representative of the pipeline industry. These
17 additional members shall have full voting rights and privileges and
18 will serve three-year terms. They may be removed from the council
19 by majority vote of the members appointed by the governor.

20 Sec. 2.02. (a) The members of the council shall elect
21 annually a presiding officer of the council.

22 (b) The council may elect other officers it considers
23 necessary.

24 (c) A member of the council may not receive compensation for
25 service performed for the council. A member is entitled to receive
26 reimbursement, subject to any applicable limitation provided by the
27 General Appropriations Act, for actual or necessary expenses

1 incurred in performing services as a member of the council. Money
2 for expense reimbursement shall be deducted from the Energy
3 Resource Fund as described by Section 3 of this Act.

4 Sec. 2.03. The purposes of this Act and of the council are
5 to coordinate a program designed to promote environmentally sound
6 production methods and technologies, to support educational
7 activities regarding the development of energy resources in the
8 State of Texas, to support job training and research activities
9 regarding energy production, to educate the public regarding the
10 importance of the oil, natural gas, and pipeline industries, to
11 promote exploration, production, and pipeline safety, and to
12 implement and comply with the provisions of this Act.

13 ARTICLE 3. ENERGY RESOURCE FUND

14 Sec. 3.01. (a) The energy resource fund is created as a
15 special fund in the general revenue fund.

16 (b) The fund consists of gifts, grants, and funds
17 appropriated by the legislature and the assessments collected under
18 Section 4 of this Act.

19 (c) Money in the fund may be used by the council, its
20 employees, or agents for the purposes described by Section 2.03 of
21 this Act.

22 ARTICLE 4. ASSESSMENT

23 Sec. 4.01. (a) To fund the purposes and activities of the
24 Texas Energy Resource Council, an assessment is imposed on the
25 production of oil, gas, and condensate produced in this state in the
26 amount of one-tenth of one percent of gross revenues received at the
27 wellhead.

1 (b) Chapter 201 and 202, Tax Code, apply to the
2 administration and collection of the assessment imposed by this
3 Act.

4 (c) Proceeds from the assessment shall be deposited to the
5 energy resource fund as provided by Section 3.01 of this Act.

6 (d) To defray the costs of collecting and administering the
7 assessment imposed by this Section, the comptroller shall retain a
8 portion of the proceeds collected from the assessment in an amount
9 approximately equal to the amount necessary for administering this
10 Section.

11 Sec. 4.02. The council is responsible for taking
12 appropriate legal actions to collect any assessment which is not
13 paid or is not properly paid. The comptroller shall not be
14 responsible for collecting any assessment not remitted to the
15 comptroller for deposit in the energy resource fund. The
16 comptroller shall report to the council any information it obtains
17 regarding failure of any person to properly pay the assessment due,
18 including any documentation it may have of such failure.

19 Sec. 4.03. (a) Any person subject to the assessment levied
20 by Section 4.01(a) of this Act may request a refund as provided in
21 this Section of the assessment paid on production for the preceding
22 calendar year. Upon compliance with the provisions of this Section
23 and rules promulgated by the council to implement this Section, the
24 council shall refund to each person requesting a refund of the
25 amount of the assessment paid by or on behalf of such person during
26 the preceding calendar year. Refunds will include interest earned
27 at the rate equal to the average United States Treasury bill rate of

1 the preceding calendar year as certified by the comptroller.

2 (b) The request for a refund of the assessment paid on
3 production for the preceding calendar year for which the refund is
4 requested. Failure to request a refund during this period shall
5 terminate the right of any person to receive a refund for the
6 assessment paid on production for the preceding calendar year. The
7 council shall give notice of the availability of the refund through
8 press releases, paid advertisements placed in the newspaper with
9 the largest general circulation in each county of the state, and
10 such other means as it deems appropriate.

11 (c) Each person requesting a refund shall execute an
12 affidavit showing the amount of refund requested, and that the
13 affiant was the person responsible for paying the assessment for
14 which the refund is requested. Each person requesting a refund
15 shall submit supporting evidence demonstrating the gross revenues,
16 net to the person's revenue interest, received person's revenue
17 interest, received for oil, gas, or condensate in Texas. The
18 council may verify principally, through the use of audits, the
19 accuracy of the request for refund, the council shall exercise its
20 authority in a manner that will reduce, to the extent practicable
21 and appropriate, the burden on the persons providing the
22 information to the Council.

23 SECTION 2. This Act takes effect September 1, 2001.