

## **BILL ANALYSIS**

H.B. 472  
By: West, George "Buddy"  
Energy Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, permitted coal operations pay an annual fee based on the number of acres from which coal or lignite has been extracted. After active mining ceases, permits can easily continue to up to 10-15 years until the large acreages of mined/disturbed land has been reclaimed and the operators are released from their reclamation bond. Mining permits, wherein only reclamation activities are ongoing, require essentially the same level of staff resources dedicated to allow for maintenance (inspection, monitoring date review, bond release applications procession, reclamation plan revisions) as permits with the active mining and reclamation operations.

At this time, no annual fees are assessed for permits where coal or lignite is being extracted. The addition of an annual permit fee and bonded acreage fee will result in these operations to also provide funding support for the coal mining regulatory program.

House Bill 472 allows the Railroad Commission to collect two additional annual fees. The total amount of fees collected would essentially be the same as under current statute. The addition of the two annual fees will allow a fee collection matrix to be constructed that will reallocate fees to all permitted operations based on their active mining and bonded acreage profile

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 2 of this bill.

### **ANALYSIS**

SECTION 1: Section 134.055, Natural Resources Code, ANNUAL FEES

Section 134.055 (a) is amended to require each permit holder to pay the following additional annual fees to the commission:

- (2) a fee for each acre of land in the bonded permit area on December 31 of that year, and
- (3) a fee for a permit if the permit was in effect on December 31 of the year.

Section (b) amends the due date of a fee under Subsection (a) to no later than March 15 of the year following the year for which the fee was imposed.

Section (c) requires the Railroad Commission to determine the amount of each fee under Subsection (a).

### **EFFECTIVE DATE**

September 1, 2005