

BILL ANALYSIS

H.B. 4247
By: Keffer
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

H.B. 4247 separates cash deposits that are received in lieu of a bond or letter of credit from other fees in the oil-field cleanup fund. These cash deposits are required with the P-5 filing. Separating these dollars into a distinct dedicated fund helps prevent confusion on the actual account balance. Also, the Railroad Commission of Texas has a fiduciary relationship to hold these funds in trust for the owner or operator.

RULEMAKING AUTHORITY

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

ANALYSIS

H.B. 4247 amends the Natural Resources Code to provide that proceeds from cash deposits filed with the Railroad Commission of Texas under provisions relating to persons required to execute a bond, letter of credit, or cash deposit, and deposited in the oil-field cleanup fund are held in trust to be used only for actual well plugging and surface remediation and may not be commingled with other money in the fund.

EFFECTIVE DATE

September 1, 2009.