

BILL ANALYSIS

C.S.S.B. 1296
By: Hegar
Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that the proceeds of bonds and other financial security filed with the Railroad Commission of Texas and deposited in the oil-field cleanup fund are used only for well plugging and surface remediation. The parties further note that those proceeds may not be used to pay an outstanding administrative penalty and that the commission instead must refer such a matter to the attorney general for collection of the penalty through the courts. C.S.S.B. 1296 proposes to address this situation by expanding the authorized uses for the proceeds of the oil-field cleanup fund to include the payment of certain administrative penalties imposed by the commission.

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

C.S.S.B. 1296 amends the Natural Resources Code, in provisions of law limiting the use of proceeds of bonds and other financial security filed with the Railroad Commission of Texas by certain persons under the jurisdiction of the commission and deposited in the oil-field cleanup fund, to expand the use of those proceeds to include the payment, after the date the penalty is due, of an administrative penalty imposed by the commission under statutory provisions governing oil and gas that a person has failed to pay.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.S.B. 1296 differs from the original by expanding the use of certain proceeds of bonds and other financial security filed with the Railroad Commission of Texas and deposited in the oil-field cleanup fund to include the payment, after the penalty is due, of an administrative penalty imposed by the commission that a person has failed to pay, whereas the original includes the payment of an administrative penalty imposed by the commission that a person has failed to pay before the penalty is due.