

BILL ANALYSIS

Senate Research Center
82R8739 ACP-F

S.B. 1296
By: Hegar
Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Railroad Commission of Texas (railroad commission) is restricted from using monies collected for financial assurances to be used to pay an outstanding penalty, and instead must refer the case to the Office of the Attorney General where a civil court case will ensue to collect the money. The railroad commission is currently restricted to using such monies only for actual well plugging and surface remediation.

As proposed, S.B. 1296 amends current law relating to 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.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 91.108, Natural Resources Code, as follows:

Sec. 91.108. DEPOSIT AND USE OF FUNDS. Requires that proceeds from bonds and other financial security required pursuant to this chapter and benefits under well-specific plugging insurance policies described by Section 91.104(c) (relating to a person having met certain requirements for a well if the well bore is included in a certain well-specific plugging insurance policy) that are paid to the state as contingent beneficiary of the policies, subject to the refund provisions of Section 91.1091 (Refund), if applicable, be deposited in the oil-field cleanup fund and, notwithstanding Sections 91.112 (Purpose of the Fund) and 91.113 (Investigation, Assessment, or Cleanup by Commission), are authorized to be used only for actual well plugging and surface remediation or to pay an administrative penalty imposed by the railroad commission under this title that a person has failed to pay before the penalty is due.

SECTION 2. Effective date: September 1, 2011.