

By: Parker

H.B. No. 2126

A BILL TO BE ENTITLED

AN ACT

relating to the amount and use of an administrative penalty imposed by the Railroad Commission of Texas for certain violations that occur in certain populous natural gas producing counties.

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

SECTION 1. Section 81.0531, Natural Resources Code, is amended by amending Subsections (a), (b), and (e) and adding Subsections (a-1), (b-1), (b-2), and (f) to read as follows:

(a) In this section, "urban natural gas producing county" means a county:

(1) with a population of 650,000 or more; and

(2) in which there are more than 2,000 producing gas wells.

(a-1) If a person violates provisions of this title which pertain to safety or the prevention or control of pollution or the provisions of a rule, order, license, permit, or certificate which pertain to safety or the prevention or control of pollution and are issued under this title, the person may be assessed a civil penalty by the commission.

(b) Except as provided by Subsection (b-1), the ~~[The]~~ penalty may not exceed \$10,000 a day for each violation.

(b-1) The penalty may not exceed \$20,000 a day for each violation that:

(1) occurs in a county that is an urban natural gas

1 producing county; and

2 (2) is of a provision of this title that pertains to  
3 safety or the prevention or control of pollution.

4 (b-2) Each day a violation continues may be considered a  
5 separate violation for purposes of penalty assessments.

6 (e) Except as provided by Subsection (f), a [A] penalty  
7 collected under this section shall be deposited to the credit of the  
8 oil-field cleanup fund.

9 (f) The portion of the amount of a penalty collected under  
10 this section for a violation described by Subsection (b-1) that  
11 exceeds \$10,000 a day may be appropriated only to the commission to  
12 be used for activities and equipment related to the inspection of  
13 gas wells in urban natural gas producing counties.

14 SECTION 2. Section 91.111(c), Natural Resources Code, is  
15 amended to read as follows:

16 (c) The fund consists of:

17 (1) penalties imposed under Section 85.381 for  
18 violation of a law, order, or rule relating to well plugging  
19 requirements;

20 (2) proceeds from bonds and other financial security  
21 required by this chapter and benefits under well-specific plugging  
22 insurance policies described by Section 91.104(c) that are paid to  
23 the state as contingent beneficiary of the policies, subject to the  
24 refund provisions of Section 91.1091, if applicable;

25 (3) private contributions, including contributions  
26 made under Section 89.084;

27 (4) expenses collected under Section 89.083;

- 1 (5) fees imposed under Section 85.2021;
- 2 (6) civil penalties collected for violations of  
3 Chapter 89 or of rules or orders relating to plugging that are  
4 adopted under this code;
- 5 (7) proceeds collected under Sections 89.085 and  
6 91.115;
- 7 (8) interest earned on the funds deposited in the  
8 fund;
- 9 (9) civil penalties or costs recovered under Section  
10 91.457 or 91.459;
- 11 (10) oil and gas waste hauler permit application fees  
12 collected under Section 29.015, Water Code;
- 13 (11) costs recovered under Section 91.113(f);
- 14 (12) hazardous oil and gas waste generation fees  
15 collected under Section 91.605;
- 16 (13) oil-field cleanup regulatory fees on oil  
17 collected under Section 81.116;
- 18 (14) oil-field cleanup regulatory fees on gas  
19 collected under Section 81.117;
- 20 (15) fees for a reissued certificate collected under  
21 Section 91.707;
- 22 (16) fees collected under Section 91.1013;
- 23 (17) fees collected under Section 89.088;
- 24 (18) penalties collected under Section 81.0531,  
25 except as otherwise provided by that section;
- 26 (19) fees collected under Section 91.142;
- 27 (20) fees collected under Section 91.654;

- 1           (21) costs recovered under Sections 91.656 and 91.657;
- 2           (22) two-thirds of the fees collected under Section
- 3 81.0521;
- 4           (23) fees collected under Sections 89.024 and 89.026;
- 5 and
- 6           (24) legislative appropriations.

7           SECTION 3. The changes in law made by this Act apply only to  
8 a violation occurring on or after the effective date of this Act. A  
9 violation occurring before the effective date of this Act is  
10 subject to the law in effect on the date the violation occurred, and  
11 that law is continued in effect for that purpose.

12           SECTION 4. This Act takes effect September 1, 2011.