H.B. No. 3212 By: Burnam

A BILL TO BE ENTITLED

7 17 7 7 7 7

1	AN ACT

- relating to the imposition of a fee on oil and gas waste disposed of 2
- by injection in a commercial injection well permitted by the 3
- Railroad Commission of Texas. 4
- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 5
- SECTION 1. Subchapter C, Chapter 27, Water Code, is amended 6
- 7 by adding Section 27.037 to read as follows:
- Sec. 27.037. OIL-FIELD CLEANUP REGULATORY FEE ON OIL AND 8
- GAS WASTE DISPOSED OF IN COMMERCIAL INJECTION WELL. (a) In this 9
- section, "commercial injection well" means an injection well the 10
- business purpose of which includes providing to the public, for 11
- compensation, disposal of oil and gas waste by injection. 12
- (b) An oil-field cleanup regulatory fee is imposed on oil 13
- 14 and gas waste disposed of by injection in a commercial injection
- well permitted by the railroad commission under this chapter in the 15
- 16 amount of one cent for each barrel of 42 standard gallons.
- (c) The comptroller shall collect the fee. The comptroller 17
- by rule shall prescribe the manner in which the fee is administered, 18
- 19 collected, and enforced.
- 20 (d) The comptroller shall deposit the proceeds from the fee,
- including any penalties collected in connection with the fee, to 21
- the credit of the oil-field cleanup fund as provided by Section 22
- 23 91.111, Natural Resources Code.
- SECTION 2. Section 91.111(c), Natural Resources Code, is 24

- 1 amended to read as follows:
- 2 (c) The fund consists of:
- 3 (1) penalties imposed under Section 85.381 for
- 4 violation of a law, order, or rule relating to well plugging
- 5 requirements;
- 6 (2) proceeds from bonds and other financial security
- 7 required by this chapter and benefits under well-specific plugging
- 8 insurance policies described by Section 91.104(c) that are paid to
- 9 the state as contingent beneficiary of the policies, subject to the
- 10 refund provisions of Section 91.1091, if applicable;
- 11 (3) private contributions, including contributions
- 12 made under Section 89.084;
- 13 (4) expenses collected under Section 89.083;
- 14 (5) fees imposed under Section 85.2021;
- 15 (6) civil penalties collected for violations of
- 16 Chapter 89 or of rules or orders relating to plugging that are
- 17 adopted under this code;
- 18 (7) proceeds collected under Sections 89.085 and
- 19 91.115;
- 20 (8) interest earned on the funds deposited in the
- 21 fund;
- 22 (9) civil penalties or costs recovered under Section
- 23 91.457 or 91.459;
- 24 (10) oil and gas waste hauler permit application fees
- 25 collected under Section 29.015, Water Code;
- 26 (11) costs recovered under Section 91.113(f);
- 27 (12) hazardous oil and gas waste generation fees

```
H.B. No. 3212
```

```
1 collected under Section 91.605;
```

- 2 (13) oil-field cleanup regulatory fees on oil
- 3 collected under Section 81.116;
- 4 (14) oil-field cleanup regulatory fees on gas
- 5 collected under Section 81.117;
- 6 (15) fees for a reissued certificate collected under
- 7 Section 91.707;
- 8 (16) fees collected under Section 91.1013;
- 9 (17) fees collected under Section 89.088;
- 10 (18) penalties collected under Section 81.0531;
- 11 (19) fees collected under Section 91.142;
- 12 (20) fees collected under Section 91.654;
- 13 (21) costs recovered under Sections 91.656 and 91.657;
- 14 (22) two-thirds of the fees collected under Section
- 15 81.0521;
- 16 (23) fees collected under Sections 89.024 and 89.026;
- 17 [and]
- 18 (24) legislative appropriations; and
- 19 (25) oil-field cleanup regulatory fees on oil and gas
- 20 waste disposed of by injection in a commercial injection well
- 21 <u>collected under Section 27.037, Water Code</u>.
- 22 SECTION 3. The comptroller shall adopt rules as necessary
- 23 to implement Section 27.037, Water Code, as added by this Act, not
- 24 later than December 1, 2011.
- 25 SECTION 4. This Act takes effect September 1, 2011.