

By: Hegar

S.B. No. 1296

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the use of proceeds of bonds and other financial
3 security filed with the Railroad Commission of Texas by certain
4 persons under the jurisdiction of the commission and deposited in
5 the oil-field cleanup fund.

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

7 SECTION 1. Section 91.108, Natural Resources Code, is
8 amended to read as follows:

9 Sec. 91.108. DEPOSIT AND USE OF FUNDS. Subject to the
10 refund provisions of Section 91.1091, if applicable, proceeds from
11 bonds and other financial security required pursuant to this
12 chapter and benefits under well-specific plugging insurance
13 policies described by Section 91.104(c) that are paid to the state
14 as contingent beneficiary of the policies shall be deposited in the
15 oil-field cleanup fund and, notwithstanding Sections 91.112 and
16 91.113, may be used only for actual well plugging and surface
17 remediation or to pay an administrative penalty imposed by the
18 commission under this title that a person has failed to pay before
19 the penalty is due.

20 SECTION 2. This Act takes effect September 1, 2011.