

By: Ogden

S.B. No. 1584

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to state fiscal matters related to natural resources and  
3 the environment.

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

5 ARTICLE 1. FISCAL MATTERS CONCERNING ANIMAL HEALTH REGULATION

6 SECTION 1.01. Section 161.060, Agriculture Code, is amended  
7 to read as follows:

8 Sec. 161.060. AUTHORITY TO SET AND COLLECT [~~INSPECTION~~]  
9 FEES. The commission by rule may set and collect a fee for any  
10 service provided [~~charge a fee, as provided by commission rule, for~~  
11 ~~an inspection made~~] by the commission, including:

12 (1) the inspection of animals or facilities;  
13 (2) the testing of animals for disease;  
14 (3) obtaining samples from animals for disease  
15 testing;

16 (4) disease eradication and treatment efforts;  
17 (5) services related to the transport of livestock;  
18 (6) control and eradication of ticks and other pests;

19 and

20 (7) any other service for which the commission incurs  
21 a cost.

22 ARTICLE 2. FISCAL MATTERS REGARDING PETROLEUM INDUSTRY REGULATION

23 SECTION 2.01. Subsection (b), Section 26.3574, Water Code,  
24 is amended to read as follows:

1 (b) A fee is imposed on the delivery of a petroleum product  
2 on withdrawal from bulk of that product as provided by this  
3 subsection. Each operator of a bulk facility on withdrawal from  
4 bulk of a petroleum product shall collect from the person who orders  
5 the withdrawal a fee in an amount determined as follows:

6 (1) \$3.75 for each delivery into a cargo tank having a  
7 capacity of less than 2,500 gallons [~~for the state fiscal year~~  
8 ~~beginning September 1, 2007, through the state fiscal year ending~~  
9 ~~August 31, 2011~~];

10 (2) \$7.50 for each delivery into a cargo tank having a  
11 capacity of 2,500 gallons or more but less than 5,000 gallons [~~for~~  
12 ~~the state fiscal year beginning September 1, 2007, through the~~  
13 ~~state fiscal year ending August 31, 2011~~];

14 (3) \$11.75 for each delivery into a cargo tank having a  
15 capacity of 5,000 gallons or more but less than 8,000 gallons [~~for~~  
16 ~~the state fiscal year beginning September 1, 2007, through the~~  
17 ~~state fiscal year ending August 31, 2011~~];

18 (4) \$15.00 for each delivery into a cargo tank having a  
19 capacity of 8,000 gallons or more but less than 10,000 gallons [~~for~~  
20 ~~the state fiscal year beginning September 1, 2007, through the~~  
21 ~~state fiscal year ending August 31, 2011~~]; and

22 (5) \$7.50 for each increment of 5,000 gallons or any  
23 part thereof delivered into a cargo tank having a capacity of 10,000  
24 gallons or more [~~for the state fiscal year beginning September 1,~~  
25 ~~2007, through the state fiscal year ending August 31, 2011~~].

26 ARTICLE 3. FISCAL MATTERS REGARDING FUNDING FOR STATE SITES

27 SECTION 3.01. Chapter 11, Parks and Wildlife Code, is

1 amended by adding Subchapter J-1 to read as follows:

2 SUBCHAPTER J-1. FOR-PROFIT PARTNERSHIPS

3 Sec. 11.221. DEFINITIONS. In this subchapter:

4 (1) "Official corporate partner" means a for-profit  
5 entity that:

6 (A) is designated an official corporate partner  
7 by the department;

8 (B) works with the department to raise funds for  
9 state site operations and maintenance; and

10 (C) is selected as provided under Section 11.222.

11 (2) "State site" means a state park, natural area, or  
12 historic site under the jurisdiction of the department.

13 Sec. 11.222. SELECTION; CONTRACT. (a) Subject to  
14 commission approval, the department may select a for-profit entity  
15 as an official corporate partner.

16 (b) The department may contract with an official corporate  
17 partner to raise funds for state site operations and maintenance.

18 Sec. 11.223. GIFTS AND GRANTS; FUND-RAISING. (a) To raise  
19 funds for state site operations and maintenance, an official  
20 corporate partner may accept contributions, gifts, grants, and  
21 promotional campaign proceeds on behalf of the department. The  
22 department shall ensure that an official corporate partner  
23 transfers the contributions, gifts, grants, and promotional  
24 campaign proceeds to the department as soon as possible.

25 (b) The department may contract with an official corporate  
26 partner to conduct joint promotional campaigns or other  
27 fund-raising efforts conducted by the department to raise funds for

1 state site operations and maintenance.

2 Sec. 11.224. USE OF FUNDS. Money received by the department  
3 under this subchapter, including money received under a contract or  
4 licensing or other agreement or as a gift or grant, may be used only  
5 for state site operations and maintenance.

6 Sec. 11.225. RULES. The commission shall adopt rules to  
7 implement this subchapter, including rules that establish  
8 guidelines or best practices for official corporate partners.

9 SECTION 3.02. Subchapter A, Chapter 13, Parks and Wildlife  
10 Code, is amended by adding Sections 13.0151 and 13.0155 to read as  
11 follows:

12 Sec. 13.0151. STATE PARK PASSES. (a) The department may  
13 contract with any entity the department considers appropriate to  
14 sell state park passes in any of the entity's retail locations.

15 (b) The commission may adopt rules to implement this  
16 section.

17 Sec. 13.0155. USE OF PARKS AND WILDLIFE DEPARTMENT BRAND.

18 (a) The department may contract with any entity the department  
19 considers appropriate to use the Parks and Wildlife Department  
20 brand in exchange for licensing fees paid by the entity to the  
21 department.

22 (b) The department shall use the licensing fees received  
23 under Subsection (a) only for the operation and maintenance of  
24 state sites as defined by Section 11.221.

25 (c) The commission may adopt rules to implement this  
26 section.

27 SECTION 3.03. Subchapter B, Chapter 13, Parks and Wildlife

1 Code, is amended by adding Section 13.103 to read as follows:

2 Sec. 13.103. ADVERTISING. The commission by rule may  
3 assess and limit commercial advertising in state parks, natural  
4 areas, historic sites, or other sites under the jurisdiction of the  
5 department to preserve the integrity of the sites and to minimize  
6 distractions that may interfere with the enjoyment of the sites by  
7 visitors.

8 ARTICLE 4. FISCAL MATTERS REGARDING PARKS AND WILDLIFE DEPARTMENT

9 SECTION 4.01. Subchapter D, Chapter 502, Transportation  
10 Code, is amended by adding Section 502.1747 to read as follows:

11 Sec. 502.1747. VOLUNTARY CONTRIBUTION TO PARKS AND WILDLIFE  
12 DEPARTMENT. (a) When a person registers or renews the  
13 registration of a motor vehicle under this chapter, the person may  
14 contribute \$5 or more to the Parks and Wildlife Department.

15 (b) The county assessor-collector shall send any  
16 contribution made under this section to the comptroller for credit  
17 to the Parks and Wildlife Department. Money received by the Parks  
18 and Wildlife Department under this section may be used only for the  
19 operation and maintenance of state parks, historic sites, or  
20 natural areas under the jurisdiction of the Parks and Wildlife  
21 Department.

22 ARTICLE 5. FISCAL MATTERS CONCERNING OIL AND GAS REGULATION

23 SECTION 5.01. Subsection (c), Section 81.0521, Natural  
24 Resources Code, is amended to read as follows:

25 (c) Two-thirds of the proceeds from this fee, excluding  
26 [including] any penalties collected in connection with the fee,  
27 shall be deposited to the oil and gas regulation and [oil-field]

1 cleanup fund as provided by Section 81.067 [~~91.111~~].

2 SECTION 5.02. Subchapter C, Chapter 81, Natural Resources  
3 Code, is amended by adding Sections 81.067 through 81.070 to read as  
4 follows:

5 Sec. 81.067. OIL AND GAS REGULATION AND CLEANUP FUND.

6 (a) The oil and gas regulation and cleanup fund is created as an  
7 account in the general revenue fund of the state treasury.

8 (b) The commission shall certify to the comptroller the date  
9 on which the balance in the fund equals or exceeds \$20 million. The  
10 oil-field cleanup regulatory fees on oil and gas shall not be  
11 collected or required to be paid on or after the first day of the  
12 second month following the certification, except that the  
13 comptroller shall resume collecting the fees on receipt of a  
14 commission certification that the fund has fallen below \$10  
15 million. The comptroller shall continue collecting the fees until  
16 collections are again suspended in the manner provided by this  
17 subsection.

18 (c) The fund consists of:

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

24 (2) private contributions, including contributions  
25 made under Section 89.084;

26 (3) expenses collected under Section 89.083;

27 (4) fees imposed under Section 85.2021;

- 1           (5) costs recovered under Section 91.457 or 91.459;
- 2           (6) proceeds collected under Sections 89.085 and
- 3 91.115;
- 4           (7) interest earned on the funds deposited in the
- 5 fund;
- 6           (8) oil and gas waste hauler permit application fees
- 7 collected under Section 29.015, Water Code;
- 8           (9) costs recovered under Section 91.113(f);
- 9           (10) hazardous oil and gas waste generation fees
- 10 collected under Section 91.605;
- 11           (11) oil-field cleanup regulatory fees on oil
- 12 collected under Section 81.116;
- 13           (12) oil-field cleanup regulatory fees on gas
- 14 collected under Section 81.117;
- 15           (13) fees for a reissued certificate collected under
- 16 Section 91.707;
- 17           (14) fees collected under Section 91.1013;
- 18           (15) fees collected under Section 89.088;
- 19           (16) fees collected under Section 91.142;
- 20           (17) fees collected under Section 91.654;
- 21           (18) costs recovered under Sections 91.656 and 91.657;
- 22           (19) two-thirds of the fees collected under Section
- 23 81.0521;
- 24           (20) fees collected under Sections 89.024 and 89.026;
- 25           (21) legislative appropriations; and
- 26           (22) any surcharges collected under Section 81.070.
- 27           Sec. 81.068. PURPOSE OF OIL AND GAS REGULATION AND CLEANUP

1 FUND. Money in the oil and gas regulation and cleanup fund may be  
2 used by the commission or its employees or agents for any purpose  
3 related to the regulation of oil and gas development, including oil  
4 and gas monitoring and inspections, oil and gas remediation, oil  
5 and gas well plugging, public information and services related to  
6 those activities, and administrative costs and state benefits for  
7 personnel involved in those activities.

8 Sec. 81.069. REPORTING ON PROGRESS IN MEETING PERFORMANCE  
9 GOALS FOR THE OIL AND GAS REGULATION AND CLEANUP FUND. (a) The  
10 commission, through the legislative appropriations request  
11 process, shall establish specific performance goals for the oil and  
12 gas regulation and cleanup fund for the next biennium, including  
13 goals for each quarter of each state fiscal year of the biennium for  
14 the number of:

15 (1) orphaned wells to be plugged with state-managed  
16 funds;

17 (2) abandoned sites to be investigated, assessed, or  
18 cleaned up with state funds; and

19 (3) surface locations to be remediated.

20 (b) The commission shall provide quarterly reports to the  
21 Legislative Budget Board that include:

22 (1) the following information with respect to the  
23 period since the last report was provided as well as cumulatively:

24 (A) the amount of money deposited in the oil and  
25 gas regulation and cleanup fund;

26 (B) the amount of money spent from the fund for  
27 the purposes described by Subsection (a);



1           (C) the balance of the fund; and

2           (D) the commission's progress in meeting the  
3 quarterly performance goals established under Subsection (a) and,  
4 if the number of orphaned wells plugged with state-managed funds,  
5 abandoned sites investigated, assessed, or cleaned up with state  
6 funds, or surface locations remediated is at least five percent  
7 less than the number projected in the applicable goal established  
8 under Subsection (a), an explanation of the reason for the  
9 variance; and

10           (2) any additional information or data requested in  
11 writing by the Legislative Budget Board.

12           (c) The commission shall submit to the legislature and make  
13 available to the public, annually, a report that reviews the extent  
14 to which money provided under Section 81.067 has enabled the  
15 commission to better protect the environment through oil-field  
16 cleanup activities. The report must include:

17           (1) the performance goals established under  
18 Subsection (a) for that state fiscal year, the commission's  
19 progress in meeting those performance goals, and, if the number of  
20 orphaned wells plugged with state-managed funds, abandoned sites  
21 investigated, assessed, or cleaned up with state funds, or surface  
22 locations remediated is at least five percent less than the number  
23 projected in the applicable goal established under Subsection (a),  
24 an explanation of the reason for the variance;

25           (2) the number of orphaned wells plugged with  
26 state-managed funds, by region;

27           (3) the number of wells orphaned, by region;

1           (4) the number of inactive wells not currently in  
2 compliance with commission rules, by region;

3           (5) the status of enforcement proceedings for all  
4 wells in violation of commission rules and the period during which  
5 the wells have been in violation, by region in which the wells are  
6 located;

7           (6) the number of surface locations remediated, by  
8 region;

9           (7) a detailed accounting of expenditures of money in  
10 the fund for oil-field cleanup activities, including expenditures  
11 for plugging of orphaned wells, investigation, assessment, and  
12 cleaning up of abandoned sites, and remediation of surface  
13 locations;

14           (8) the method by which the commission sets priorities  
15 by which it determines the order in which orphaned wells are  
16 plugged;

17           (9) a projection of the amount of money needed for the  
18 next biennium for plugging orphaned wells, investigating,  
19 assessing, and cleaning up abandoned sites, and remediating surface  
20 locations; and

21           (10) the number of sites successfully remediated under  
22 the voluntary cleanup program under Subchapter O, Chapter 91, by  
23 region.

24           Sec. 81.070. ESTABLISHMENT OF SURCHARGES ON FEES.

25           (a) Except as provided by Subsection (b), the commission by rule  
26 shall provide for the imposition of reasonable surcharges as  
27 necessary on fees imposed by the commission that are required to be

1 deposited to the credit of the oil and gas regulation and cleanup  
2 fund as provided by Section 81.067 in amounts sufficient to enable  
3 the commission to recover the costs of performing the functions  
4 specified by Section 81.068 from those fees and surcharges.

5 (b) The commission may not impose a surcharge on an  
6 oil-field cleanup regulatory fee on oil collected under Section  
7 81.116 or an oil-field cleanup regulatory fee on gas collected  
8 under Section 81.117.

9 (c) The commission by rule shall establish a methodology for  
10 determining the amount of a surcharge that takes into account:

11 (1) the time required for regulatory work associated  
12 with the activity in connection with which the surcharge is  
13 imposed;

14 (2) the number of individuals or entities from which  
15 the commission's costs may be recovered;

16 (3) the effect of the surcharge on operators of all  
17 sizes, as measured by the number of oil or gas wells operated;

18 (4) the balance in the oil and gas regulation and  
19 cleanup fund; and

20 (5) any other factors the commission determines to be  
21 important to the fair and equitable imposition of the surcharge.

22 (d) The commission shall collect a surcharge on a fee at the  
23 time the fee is collected.

24 (e) A surcharge collected under this section shall be  
25 deposited to the credit of the oil and gas regulation and cleanup  
26 fund as provided by Section 81.067.

27 (f) A surcharge collected under this section shall not

1 exceed an amount equal to 185 percent of the fee on which it is  
2 imposed.

3 SECTION 5.03. Section 81.115, Natural Resources Code, is  
4 amended to read as follows:

5 Sec. 81.115. APPROPRIATIONS [~~PAYMENTS~~] TO COMMISSION FOR  
6 OIL AND GAS REGULATION AND CLEANUP PURPOSES [~~DIVISION~~]. Money  
7 appropriated to the [~~oil and gas division of the~~] commission under  
8 the General Appropriations Act for the purposes described by  
9 Section 81.068 shall be paid from the oil and gas regulation and  
10 cleanup fund [~~General Revenue Fund~~].

11 SECTION 5.04. Subsections (d) and (e), Section 81.116,  
12 Natural Resources Code, are amended to read as follows:

13 (d) The comptroller shall suspend collection of the fee in  
14 the manner provided by Section 81.067 [~~91.111~~]. The exemptions and  
15 reductions set out in Sections 202.052, 202.054, 202.056, 202.057,  
16 202.059, and 202.060, Tax Code, do not affect the fee imposed by  
17 this section.

18 (e) Proceeds from the fee, excluding [~~including~~] any  
19 penalties collected in connection with the fee, shall be deposited  
20 to the oil and gas regulation and [~~oil-field~~] cleanup fund as  
21 provided by Section 81.067 [~~91.111 of this code~~].

22 SECTION 5.05. Subsections (d) and (e), Section 81.117,  
23 Natural Resources Code, are amended to read as follows:

24 (d) The comptroller shall suspend collection of the fee in  
25 the manner provided by Section 81.067 [~~91.111~~]. The exemptions and  
26 reductions set out in Sections 201.053, 201.057, 201.058, and  
27 202.060, Tax Code, do not affect the fee imposed by this section.

1 (e) Proceeds from the fee, excluding [~~including~~] any  
2 penalties collected in connection with the fee, shall be deposited  
3 to the oil and gas regulation and [~~oil-field~~] cleanup fund as  
4 provided by Section 81.067 [~~91.111 of this code~~].

5 SECTION 5.06. Subsection (d), Section 85.2021, Natural  
6 Resources Code, is amended to read as follows:

7 (d) All fees collected under this section shall be deposited  
8 in the oil and gas regulation and [~~state oil-field~~] cleanup fund.

9 SECTION 5.07. Subsection (d), Section 89.024, Natural  
10 Resources Code, is amended to read as follows:

11 (d) An operator who files an abeyance of plugging report  
12 must pay an annual fee of \$100 for each well covered by the report.  
13 A fee collected under this section shall be deposited in the oil and  
14 gas regulation and [~~oil-field~~] cleanup fund.

15 SECTION 5.08. Subsection (d), Section 89.026, Natural  
16 Resources Code, is amended to read as follows:

17 (d) An operator who files documentation described by  
18 Subsection (a) must pay an annual fee of \$50 for each well covered  
19 by the documentation. A fee collected under this section shall be  
20 deposited in the oil and gas regulation and [~~oil-field~~] cleanup  
21 fund.

22 SECTION 5.09. Subsection (d), Section 89.048, Natural  
23 Resources Code, is amended to read as follows:

24 (d) On successful plugging of the well by the well plugger,  
25 the surface estate owner may submit documentation to the commission  
26 of the cost of the well-plugging operation. The commission shall  
27 reimburse the surface estate owner from money in the oil and gas

1 regulation and [~~oil-field~~] cleanup fund in an amount not to exceed  
2 50 percent of the lesser of:

3 (1) the documented well-plugging costs; or

4 (2) the average cost incurred by the commission in the  
5 preceding 24 months in plugging similar wells located in the same  
6 general area.

7 SECTION 5.10. Subsection (j), Section 89.083, Natural  
8 Resources Code, is amended to read as follows:

9 (j) Money collected in a suit under this section shall be  
10 deposited in the oil and gas regulation and [~~state oil-field~~]  
11 cleanup fund.

12 SECTION 5.11. Subsection (d), Section 89.085, Natural  
13 Resources Code, is amended to read as follows:

14 (d) The commission shall deposit money received from the  
15 sale of well-site equipment or hydrocarbons under this section to  
16 the credit of the oil and gas regulation and [~~oil-field~~] cleanup  
17 fund. The commission shall separately account for money and credit  
18 received for each well.

19 SECTION 5.12. The heading to Section 89.086, Natural  
20 Resources Code, is amended to read as follows:

21 Sec. 89.086. CLAIMS AGAINST OIL AND GAS REGULATION AND [~~THE~~  
22 ~~OIL-FIELD~~] CLEANUP FUND.

23 SECTION 5.13. Subsections (a) and (h) through (k), Section  
24 89.086, Natural Resources Code, are amended to read as follows:

25 (a) A person with a legal or equitable ownership or security  
26 interest in well-site equipment or hydrocarbons disposed of under  
27 Section 89.085 [~~of this code~~] may make a claim against the oil and

1 gas regulation and [~~oil-field~~] cleanup fund unless an element of  
2 the transaction giving rise to the interest occurs after the  
3 commission forecloses its statutory lien under Section 89.083.

4 (h) The commission shall suspend an amount of money in the  
5 oil and gas regulation and [~~oil-field~~] cleanup fund equal to the  
6 amount of the claim until the claim is finally resolved. If the  
7 provisions of Subsection (k) [~~of this section~~] prevent suspension  
8 of the full amount of the claim, the commission shall treat the  
9 claim as two consecutively filed claims, one in the amount of funds  
10 available for suspension and the other in the remaining amount of  
11 the claim.

12 (i) A claim made by or on behalf of the operator or a  
13 nonoperator of a well or a successor to the rights of the operator  
14 or nonoperator is subject to a ratable deduction from the proceeds  
15 or credit received for the well-site equipment to cover the costs  
16 incurred by the commission in removing the equipment or  
17 hydrocarbons from the well or in transporting, storing, or  
18 disposing of the equipment or hydrocarbons. A claim made by a  
19 person who is not an operator or nonoperator is subject to a ratable  
20 deduction for the costs incurred by the commission in removing the  
21 equipment from the well. If a claimant is a person who is  
22 responsible under law or commission rules for plugging the well or  
23 cleaning up pollution originating on the lease or if the claimant  
24 owes a penalty assessed by the commission or a court for a violation  
25 of a commission rule or order, the commission may recoup from or  
26 offset against a valid claim an expense incurred by the oil and gas  
27 regulation and [~~oil-field~~] cleanup fund that is not otherwise

1 reimbursed or any penalties owed. An amount recouped from,  
2 deducted from, or offset against a claim under this subsection  
3 shall be treated as an invalid portion of the claim and shall remain  
4 suspended in the oil and gas regulation and ~~[oil-field]~~ cleanup  
5 fund in the manner provided by Subsection (j) ~~[of this section]~~.

6 (j) If the commission finds that a claim is valid in whole or  
7 in part, the commission shall pay the valid portion of the claim  
8 from the suspended amount in the oil and gas regulation and  
9 ~~[oil-field]~~ cleanup fund not later than the 30th day after the date  
10 of the commission's decision. If the commission finds that a claim  
11 is invalid in whole or in part, the commission shall continue to  
12 suspend in the oil and gas regulation and ~~[oil-field]~~ cleanup fund  
13 an amount equal to the invalid portion of the claim until the period  
14 during which the commission's decision may be appealed has expired  
15 or, if appealed, during the period the case is under judicial  
16 review. If on appeal the district court finds the claim valid in  
17 whole or in part, the commission shall pay the valid portion of the  
18 claim from the suspended amount in the oil and gas regulation and  
19 ~~[oil-field]~~ cleanup fund not later than 30 days after the date the  
20 court's judgment becomes unappealable. On the date the  
21 commission's decision is not subject to judicial review, the  
22 commission shall release from the suspended amount in the oil and  
23 gas regulation and ~~[oil-field]~~ cleanup fund the amount of the claim  
24 held to be invalid.

25 (k) If the aggregate of claims paid and money suspended that  
26 relates to well-site equipment or hydrocarbons from a particular  
27 well equals the total of the actual proceeds and credit realized



1 from the disposition of that equipment or those hydrocarbons, the  
2 oil and gas regulation and [~~oil-field~~] cleanup fund is not liable  
3 for any subsequently filed claims that relate to the same equipment  
4 or hydrocarbons unless and until the commission releases from the  
5 suspended amount money derived from the disposition of that  
6 equipment or those hydrocarbons. If the commission releases money,  
7 then the commission shall suspend money in the amount of  
8 subsequently filed claims in the order of filing.

9 SECTION 5.14. Subsection (b), Section 89.121, Natural  
10 Resources Code, is amended to read as follows:

11 (b) Civil penalties collected for violations of this  
12 chapter or of rules relating to plugging that are adopted under this  
13 code shall be deposited in the general revenue [~~state oil-field~~  
14 ~~cleanup~~] fund.

15 SECTION 5.15. Subsection (c), Section 91.1013, Natural  
16 Resources Code, is amended to read as follows:

17 (c) Fees collected under this section shall be deposited in  
18 the oil and gas regulation and [~~state oil-field~~] cleanup fund.

19 SECTION 5.16. Section 91.108, Natural Resources Code, is  
20 amended to read as follows:

21 Sec. 91.108. DEPOSIT AND USE OF FUNDS. Subject to the  
22 refund provisions of Section 91.1091, if applicable, proceeds from  
23 bonds and other financial security required pursuant to this  
24 chapter and benefits under well-specific plugging insurance  
25 policies described by Section 91.104(c) that are paid to the state  
26 as contingent beneficiary of the policies shall be deposited in the  
27 oil and gas regulation and [~~oil-field~~] cleanup fund and,

1 notwithstanding Sections 81.068 [~~91.112~~] and 91.113, may be used  
2 only for actual well plugging and surface remediation.

3 SECTION 5.17. Subsection (a), Section 91.109, Natural  
4 Resources Code, is amended to read as follows:

5 (a) A person applying for or acting under a commission  
6 permit to store, handle, treat, reclaim, or dispose of oil and gas  
7 waste may be required by the commission to maintain a performance  
8 bond or other form of financial security conditioned that the  
9 permittee will operate and close the storage, handling, treatment,  
10 reclamation, or disposal site in accordance with state law,  
11 commission rules, and the permit to operate the site. However, this  
12 section does not authorize the commission to require a bond or other  
13 form of financial security for saltwater disposal pits, emergency  
14 saltwater storage pits (including blow-down pits), collecting  
15 pits, or skimming pits provided that such pits are used in  
16 conjunction with the operation of an individual oil or gas lease.  
17 Subject to the refund provisions of Section 91.1091 [~~of this code~~],  
18 proceeds from any bond or other form of financial security required  
19 by this section shall be placed in the oil and gas regulation and  
20 [~~oil-field~~] cleanup fund. Each bond or other form of financial  
21 security shall be renewed and continued in effect until the  
22 conditions have been met or release is authorized by the  
23 commission.

24 SECTION 5.18. Subsections (a) and (f), Section 91.113,  
25 Natural Resources Code, are amended to read as follows:

26 (a) If oil and gas wastes or other substances or materials  
27 regulated by the commission under Section 91.101 are causing or are

1 likely to cause the pollution of surface or subsurface water, the  
2 commission, through its employees or agents, may use money in the  
3 oil and gas regulation and [~~oil-field~~] cleanup fund to conduct a  
4 site investigation or environmental assessment or control or clean  
5 up the oil and gas wastes or other substances or materials if:

6 (1) the responsible person has failed or refused to  
7 control or clean up the oil and gas wastes or other substances or  
8 materials after notice and opportunity for hearing;

9 (2) the responsible person is unknown, cannot be  
10 found, or has no assets with which to control or clean up the oil and  
11 gas wastes or other substances or materials; or

12 (3) the oil and gas wastes or other substances or  
13 materials are causing the pollution of surface or subsurface water.

14 (f) If the commission conducts a site investigation or  
15 environmental assessment or controls or cleans up oil and gas  
16 wastes or other substances or materials under this section, the  
17 commission may recover all costs incurred by the commission from  
18 any person who was required by law, rules adopted by the commission,  
19 or a valid order of the commission to control or clean up the oil and  
20 gas wastes or other substances or materials. The commission by  
21 order may require the person to reimburse the commission for those  
22 costs or may request the attorney general to file suit against the  
23 person to recover those costs. At the request of the commission,  
24 the attorney general may file suit to enforce an order issued by the  
25 commission under this subsection. A suit under this subsection may  
26 be filed in any court of competent jurisdiction in Travis County.  
27 Costs recovered under this subsection shall be deposited to the oil

1 and gas regulation and [~~oil-field~~] cleanup fund.

2 SECTION 5.19. Subsection (c), Section 91.264, Natural  
3 Resources Code, is amended to read as follows:

4 (c) A penalty collected under this section shall be  
5 deposited to the credit of the general revenue [~~oil-field cleanup~~]  
6 fund [~~account~~].

7 SECTION 5.20. Subsection (b), Section 91.457, Natural  
8 Resources Code, is amended to read as follows:

9 (b) If a person ordered to close a saltwater disposal pit  
10 under Subsection (a) [~~of this section~~] fails or refuses to close the  
11 pit in compliance with the commission's order and rules, the  
12 commission may close the pit using money from the oil and gas  
13 regulation and [~~oil-field~~] cleanup fund and may direct the attorney  
14 general to file suits in any courts of competent jurisdiction in  
15 Travis County to recover applicable penalties and the costs  
16 incurred by the commission in closing the saltwater disposal pit.

17 SECTION 5.21. Subsection (c), Section 91.459, Natural  
18 Resources Code, is amended to read as follows:

19 (c) Any [~~penalties or~~] costs recovered by the attorney  
20 general under this subchapter shall be deposited in the oil and gas  
21 regulation and [~~oil-field~~] cleanup fund.

22 SECTION 5.22. Subsection (e), Section 91.605, Natural  
23 Resources Code, is amended to read as follows:

24 (e) The fees collected under this section shall be deposited  
25 in the oil and gas regulation and [~~oil-field~~] cleanup fund.

26 SECTION 5.23. Subsection (e), Section 91.654, Natural  
27 Resources Code, is amended to read as follows:

1 (e) Fees collected under this section shall be deposited to  
2 the credit of the oil and gas regulation and [~~oil-field~~] cleanup  
3 fund under Section 81.067 [~~91.111~~].

4 SECTION 5.24. Subsection (b), Section 91.707, Natural  
5 Resources Code, is amended to read as follows:

6 (b) Fees collected under this section shall be deposited to  
7 the oil and gas regulation and [~~oil-field~~] cleanup fund.

8 SECTION 5.25. The heading to Section 121.211, Utilities  
9 Code, is amended to read as follows:

10 Sec. 121.211. PIPELINE SAFETY AND REGULATORY FEES.

11 SECTION 5.26. Subsections (a) through (e) and (h), Section  
12 121.211, Utilities Code, are amended to read as follows:

13 (a) The railroad commission by rule may adopt a [~~an~~  
14 ~~inspection~~] fee to be assessed annually against operators of  
15 natural gas distribution pipelines and their pipeline facilities  
16 and natural gas master metered pipelines and their pipeline  
17 facilities subject to this title [~~chapter~~].

18 (b) The railroad commission by rule shall establish the  
19 method by which the fee will be calculated and assessed. In  
20 adopting a fee structure, the railroad commission may consider any  
21 factors necessary to provide for the equitable allocation among  
22 operators of the costs of administering the railroad commission's  
23 pipeline safety and regulatory program under this title [~~chapter~~].

24 (c) The total amount of fees estimated to be collected under  
25 rules adopted by the railroad commission under this section may not  
26 exceed the amount estimated by the railroad commission to be  
27 necessary to recover the costs of administering the railroad

1 commission's pipeline safety and regulatory program under this  
2 title [~~chapter~~], excluding costs that are fully funded by federal  
3 sources.

4 (d) The commission may assess each operator of a natural gas  
5 distribution system subject to this title [~~chapter~~] an annual  
6 [~~inspection~~] fee not to exceed one dollar for each service line  
7 reported by the system on the Distribution Annual Report, Form RSPA  
8 F7100.1-1, due on March 15 of each year. The fee is due March 15 of  
9 each year.

10 (e) The railroad commission may assess each operator of a  
11 natural gas master metered system subject to this title [~~chapter~~]  
12 an annual [~~inspection~~] fee not to exceed \$100 for each master  
13 metered system. The fee is due June 30 of each year.

14 (h) A fee collected under this section shall be deposited to  
15 the credit of the general revenue fund to be used for the pipeline  
16 safety and regulatory program.

17 SECTION 5.27. Section 29.015, Water Code, is amended to  
18 read as follows:

19 Sec. 29.015. APPLICATION FEE. With each application for  
20 issuance, renewal, or material amendment of a permit, the applicant  
21 shall submit to the railroad commission a nonrefundable fee of  
22 \$100. Fees collected under this section shall be deposited in the  
23 oil and gas regulation and [~~oil-field~~] cleanup fund.

24 SECTION 5.28. The following provisions of the Natural  
25 Resources Code are repealed:

- 26 (1) Section 91.111; and  
27 (2) Section 91.112.

1 SECTION 5.29. On the effective date of this article:

2 (1) the oil-field cleanup fund is abolished;

3 (2) any money remaining in the oil-field cleanup fund  
4 is transferred to the oil and gas regulation and cleanup fund;

5 (3) any claim against the oil-field cleanup fund is  
6 transferred to the oil and gas regulation and cleanup fund; and

7 (4) any amount required to be deposited to the credit  
8 of the oil-field cleanup fund shall be deposited to the credit of  
9 the oil and gas regulation and cleanup fund.

10 ARTICLE 6. EFFECTIVE DATE

11 SECTION 6.01. This Act takes effect September 1, 2011.