

BILL ANALYSIS

H.B. 3309
By: Crownover
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that the groundwater advisory unit, which was recently transferred from the Texas Commission on Environmental Quality (TCEQ) to the Railroad Commission of Texas, is tasked with protecting the state's groundwater supplies from oil and gas drilling operations. As part of the permitting process for an oil, gas, or disposal well, the unit assesses the risk a potential well may have on groundwater in the area, and the unit collects fees from operators to pay for its activities. The parties contend that during the period that the unit was under the authority of TCEQ, all of the fees collected were retained by TCEQ to pay for the operations of the unit, but that since the transfer to the railroad commission, the fees assessed by the unit have been allocated to general revenue and only half of the revenue generated by those fees have been subsequently appropriated to the railroad commission. H.B. 3309 seeks to fully fund the activities of the unit and ensure that the revenue generated by fees of the unit is used for its intended purpose by establishing provisions relating to the composition and use of money in the oil and gas regulation and cleanup fund.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3309 amends the Natural Resources Code to add the study and evaluation of electronic access to geologic data and surface casing depths necessary to protect usable groundwater in Texas as one of the specified purposes for which money in the oil and gas regulation and cleanup fund may be used by the Railroad Commission of Texas or railroad commission employees or agents. The bill removes language authorizing the use of money collected by the railroad commission for processing a request to expedite a letter of determination relating to the depth of the surface casing required to encase a well that is proposed to be drilled into oil or gas bearing rock for study and evaluation of electronic access to geologic data and surface casing depths under provisions relating to electronic geologic data and instead requires the fees collected by the commission both for the letter of determination itself and for the expedited processing of that letter to be deposited in the oil and gas regulation and cleanup fund.

EFFECTIVE DATE

September 1, 2013.