

## **BILL ANALYSIS**

Senate Research Center  
85R8624 JXC-F

H.B. 1481  
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Natural Resources & Economic Development  
5/11/2017  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The commissioner of the General Land Office (GLO) is required to establish a fee for the processing of applications of terminal facilities. Established in the Administrative Code, the \$25 fee is assessed for recertification every five years. Because of the staff time to administer the fee, it does not cover the cost of administration. In fact, removal of this fee will result in a positive fiscal note of over \$3,000.

It would be beneficial to abolish the fee for processing applications for a terminal facility discharge prevention and response certificate as the fee does not represent the applicable administrative costs and the abolishment would reduce paperwork and expenses. H.B. 1481 seeks to abolish the fee.

There are currently 575 oil handling facilities in the state of Texas. Each facility is audited annually and recertified every five years, at which point they are charged a \$25 fee, regardless of the size or storage capacity. In the last biennium, the fee generated \$6,125. Since the fee was instituted in fiscal year 2011, it has raised \$19,750.

- This bill reduces unnecessary red tape and bureaucracy for Texas businesses.
- This bill does not change the standards or operating procedure for oil handling facilities; they will still be audited every year and recertified every five years.
- Removing the fee will actually save the state money because the cost of administration is higher than the revenue it generates.
- This bill was carefully crafted with input from and consent of GLO.

H.B. 1481 amends current law relating to the abolition of the fee established by the commissioner of the General Land Office for processing applications for terminal facility discharge prevention and response certificates.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the commissioner of the General Land Office is rescinded in SECTION 2 (Section 40.110, Natural Resources Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 40.112, Natural Resources Code, to require the commissioner of the General Land Office (commissioner), on compliance with Sections 40.109 (Registration of Terminal Facilities) through 40.111 (Information), rather than on compliance with Sections 40.109 through 40.111 of this code and on payment of the certificate application fee, to issue the applicant a discharge prevention and response certificate covering the terminal facility.

SECTION 2. Repealer: Section 40.110(e) (relating to requiring the commissioner by rule to establish and require payment of a certain fee), Natural Resources Code.

SECTION 3. Effective date: September 1, 2017.