

BILL ANALYSIS

H.B. 3381
By: Leman
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The site remediation program administered by the Railroad Commission of Texas (RRC) works to clean up abandoned or foreclosed disposal facilities and sites where entities or individuals have improperly disposed of oilfield wastes, such as drill cuttings. There have been calls to expand options available to the RRC for cleaning up and remediating these sites, given that the RRC is currently limited to managing the waste by excavating and hauling it to offsite disposal facilities, which is a very expensive process. H.B. 3381 seeks to address this issue by authorizing the RRC to contract for the treatment of drill cuttings on site and to sell the recycled waste materials for beneficial reuse.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 3381 amends the Natural Resources Code to expand the scope of provisions granting the state a first lien on a responsible person's interest in hydrocarbons to also include interest in any drill cuttings stored at a site or facility that has ceased oil and gas operations and that the responsible person has failed to clean up by the applicable deadline. The bill authorizes the Railroad Commission of Texas to dispose of abandoned stored drill cuttings by contracting with a person to treat the drill cuttings at the site or facility for a subsequent beneficial use and selling the treated drill cuttings at a public auction or a public or private sale. The bill defines "treat" as using a manufacturing, mechanical, thermal, or chemical process other than sizing, shaping, diluting, or sorting.

H.B. 3381 makes specified provisions applicable to the disposition of these drill cuttings in the same manner as those provisions apply to the disposition of hydrocarbons.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.