By:  Walle, Morales Shaw, Zwiener H.B. No. 3973

     (Senate Sponsor - Nichols)

(In the Senate - Received from the House May 3, 2021; May 17, 2021, read first time and referred to Committee on Finance; May 21, 2021, reported adversely, with favorable Committee Substitute by the following vote: Yeas 12, Nays 0; May 21, 2021, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Nelson               X

Lucio                X

Bettencourt          X

Buckingham           X

Campbell             X

Creighton                      X

Hancock              X

Huffman              X

Kolkhorst                      X

Nichols              X

Perry                          X

Schwertner           X

Taylor               X

West                 X

Whitmire             X

COMMITTEE SUBSTITUTE FOR H.B. No. 3973 By:  Nichols

A BILL TO BE ENTITLED

AN ACT

relating to a study on abandoned oil and gas wells in this state and the use of the oil and gas regulation and cleanup fund.

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

SECTION 1.  (a)  A joint interim committee is created to study abandoned oil and gas wells in this state and the use of the oil and gas regulation and cleanup fund.

(b)  The committee shall be composed of:

(1)  five members appointed by the lieutenant governor; and

(2)  five members appointed by the speaker of the house of representatives.

(c)  The committee shall convene at the call of the presiding officer.

(d)  The committee has all other powers and duties provided to a special or select committee by the rules of the senate and house of representatives, by Subchapter B, Chapter 301, Government Code, and by policies of the senate and house committees on administration.

(e)  Not later than the 60th day after the effective date of this Act, the lieutenant governor and the speaker of the house of representatives shall appoint the members of the interim committee created under this section.

(f)  The committee shall:

(1)  study matters related to abandoned oil and gas wells in this state, including the costs associated with plugging abandoned wells and bonding requirements imposed on owners or operators of oil and gas wells;

(2)  identify potential solutions to reduce the need for general revenue spending to plug abandoned wells;

(3)  conduct review of the oil and gas regulation and cleanup fund, including:

(A)  revenue sources of the fund;

(B)  projected revenue for the fund through fiscal year 2025 based on the fund's existing fee and fine structure; and

(C)  an assessment of the rules and statutory limits that determine the amount of the fees and fines that contribute to the fund; and,

(4)  evaluate and identify other sources of potential revenue, including federal funds and other existing taxes and fees paid to the benefit of the state which could be utilized to meet the goals of the committee.

(g)  The Railroad Commission of Texas shall provide information to the committee necessary to conduct the study under Subsection (f) of this section, including information related to:

(1)  budget and performance measures of the commission and fees and fines collected by the commission; and

(2)  any regulatory or statutory changes needed to assure adequate operating revenue for the commission, including revenue used to plug abandoned oil and gas wells.

(h)  Not later than December 1, 2022, the joint interim committee shall report the committee's findings and recommendations to the legislature.

(i)  The committee is abolished and this section expires January 1, 2023.

SECTION 2.  This Act takes effect September 1, 2021.

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