

1-1 By: Walle, Morales Shaw, Zwiener H.B. No. 3973  
 1-2 (Senate Sponsor - Nichols)  
 1-3 (In the Senate - Received from the House May 3, 2021;  
 1-4 May 17, 2021, read first time and referred to Committee on Finance;  
 1-5 May 21, 2021, reported adversely, with favorable Committee  
 1-6 Substitute by the following vote: Yeas 12, Nays 0; May 21, 2021,  
 1-7 sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17	X			
1-18			X	
1-19	X			
1-20			X	
1-21	X			
1-22	X			
1-23	X			
1-24	X			

1-25 COMMITTEE SUBSTITUTE FOR H.B. No. 3973 By: Nichols

1-26 A BILL TO BE ENTITLED  
 1-27 AN ACT

1-28 relating to a study on abandoned oil and gas wells in this state and  
 1-29 the use of the oil and gas regulation and cleanup fund.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. (a) A joint interim committee is created to  
 1-32 study abandoned oil and gas wells in this state and the use of the  
 1-33 oil and gas regulation and cleanup fund.

1-34 (b) The committee shall be composed of:

1-35 (1) five members appointed by the lieutenant governor;  
 1-36 and

1-37 (2) five members appointed by the speaker of the house  
 1-38 of representatives.

1-39 (c) The committee shall convene at the call of the presiding  
 1-40 officer.

1-41 (d) The committee has all other powers and duties provided  
 1-42 to a special or select committee by the rules of the senate and  
 1-43 house of representatives, by Subchapter B, Chapter 301, Government  
 1-44 Code, and by policies of the senate and house committees on  
 1-45 administration.

1-46 (e) Not later than the 60th day after the effective date of  
 1-47 this Act, the lieutenant governor and the speaker of the house of  
 1-48 representatives shall appoint the members of the interim committee  
 1-49 created under this section.

1-50 (f) The committee shall:

1-51 (1) study matters related to abandoned oil and gas  
 1-52 wells in this state, including the costs associated with plugging  
 1-53 abandoned wells and bonding requirements imposed on owners or  
 1-54 operators of oil and gas wells;

1-55 (2) identify potential solutions to reduce the need  
 1-56 for general revenue spending to plug abandoned wells;

1-57 (3) conduct review of the oil and gas regulation and  
 1-58 cleanup fund, including:

1-59 (A) revenue sources of the fund;

1-60 (B) projected revenue for the fund through fiscal

2-1 year 2025 based on the fund's existing fee and fine structure; and  
2-2 (C) an assessment of the rules and statutory  
2-3 limits that determine the amount of the fees and fines that  
2-4 contribute to the fund; and,

2-5 (4) evaluate and identify other sources of potential  
2-6 revenue, including federal funds and other existing taxes and fees  
2-7 paid to the benefit of the state which could be utilized to meet the  
2-8 goals of the committee.

2-9 (g) The Railroad Commission of Texas shall provide  
2-10 information to the committee necessary to conduct the study under  
2-11 Subsection (f) of this section, including information related to:

2-12 (1) budget and performance measures of the commission  
2-13 and fees and fines collected by the commission; and

2-14 (2) any regulatory or statutory changes needed to  
2-15 assure adequate operating revenue for the commission, including  
2-16 revenue used to plug abandoned oil and gas wells.

2-17 (h) Not later than December 1, 2022, the joint interim  
2-18 committee shall report the committee's findings and  
2-19 recommendations to the legislature.

2-20 (i) The committee is abolished and this section expires  
2-21 January 1, 2023.

2-22 SECTION 2. This Act takes effect September 1, 2021.

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