



Representative

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**LSG Floor Report For Major State Calendar-Tuesday, March 28, 2017**

<p><b>HB 1818</b> By: Gonzales, Larry / Raymond / Darby / Thompson, Senfronia / Flynn</p>	<p>Relating to the continuation and functions of the Railroad Commission of Texas; providing for the imposition of fees.</p>	<p>Energy Resources</p>	<p>HB 1818 continues the functions of the Railroad Commission of Texas, and extend its reauthorization for 12 years. The Texas Railroad Commission is responsible for overseeing natural resources, and protecting the environment to maintain personal and community safety. Due to unamenable differences on agency changes, sunset bills for the Railroad Commission have not been able to pass for the past three legislative sessions.</p> <p>The need for the Railroad Commission to fulfill its mission in regulating oil, natural gas, preventing pollution, and ensuring environmental safety to Texas families is vital. HB 1818 is an appropriate step in the right direction of accomplishing this; however, in its current form this bill is only a partial solution to structural changes needed throughout the agency.</p> <p><b>Sec.81.065 – Alternative Dispute Resolutions</b> HB 1818 requires the Commission to develop and implement policy that encourages the use of alternative dispute resolution. To the extent possible, this policy is designed to imitate similar model guidelines of alternative dispute resolution for state agencies issued by the State Office of Administrative Hearings.</p> <p>The Commission is responsible for organizing the implementation of this policy, training individuals as needed to execute alternative dispute resolution procedures, and collecting information on the effectiveness of those procedures. Alternative dispute resolution procedures offer a more inclusive and mollifying approach to handling employee grievances, interagency conflicts, and improving rulemaking. HB 1818 only encourages the use of the formulated dispute resolution procedures; it does not mandate that the Commission must follow them.</p> <p><b>Sec.81.066 – Annual Plans for Monitoring and Enforcement</b> The bill states that the oil and gas division of the Commission will develop an annual plan to use the oil and gas monitoring and enforcement resources of the Commission strategically to guarantee public safety, and protect the environment. The Commission will seek input from stakeholders when developing each annual plan, and collect information that accurately shows gas monitoring and enforcement activities.</p>	<p><b>Favorable</b> Evaluated by: Fabeain Barkwell 214-659-3072 <a href="mailto:Fabeain@Texaslsg.org">Fabeain@Texaslsg.org</a></p>
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***(HB 1818 analysis on Sec.81.066 – Annual Plans for Monitoring and Enforcement, continued)***

Each annual plan must contain a report of the information collected by the Commission that entails data on violations found by the commission, violations the commission referred for enforcement, violations the Commission imposed a penalty for, the number of major violations the commission imposed a penalty for, or sought other enforcement action, and the number of repeat major violations. This plan is to be published onto the website of the Railroad Commission no later than September 1st of the year prior to its implementation. The first year the Commission will be required by statute to coincide with the development and publishing of this annual plan is 2019, which means the initial plan would be required to be published no later than September 1, 2018.

HB 1818 seeks to clarify what specific information will be collected, since transparency is important for monitoring efforts of the Commission. The bill does not provide details on how the Commission will make changes to enforcement procedures, improve operator compliance, and maintain performance measures.

**Enforcement via Lease Severing – Timely Inspection of Oil & Gas Wells**

The Sunset Advisory Commission discovered that the Railroad Commission lacked a strategic approach to enforcement, and an inability to provide performance information. The Railroad Commission places a strong emphasis on operators following regulations, but some operators still fail to comply.

The main enforcement measure used by the Commission is lease severing – disallowing companies to continue using their oil & gas wells when they are found in violation. Items of Interest regarding Lease severing include:

- In fiscal year 2015, the Railroad Commission severed 7,936 leases and caught at least 1,552 leases that continued to produce oil or gas under the severance.
- The sunset committee also discovered that **two-thirds of leases have gone more than two years without an inspection**, and in FY 2015 the Railroad Commission only referred 2% of total violations to legal enforcement.
- Over the past five fiscal years, 114 operators were repeatedly among the top 100 pollution rule violators in the state of Texas.
- 4 of these 114 operators accounted for 3% of the wells in Texas and 22 percent of the pollution rule violations from 2011 to 2015.

Implementing measures that address improving enforcement tactics, successful resolution of violations, and the number of violations brought into compliance would be a significant indicator of performance and effectiveness.



			<p><b>Sec. 81.071 – Pipeline Safety</b>                  Under HB 1818 the Commission may establish pipeline safety and regulatory fees for permits or registration for pipelines. The Commission may also establish annual fees, or late payment penalties against permit or registration holders. The Commission is responsible for creating methods to assess and calculate fees, and has the authority to dictate what the fees are based on. The fees collected under this provision will be deposited to the credit of the oil and gas regulations and clean-up fund. The Railroad Commission will also assume guidelines for safety standards relating to prevention of damage to interstate and intrastate hazardous liquid and carbon dioxide pipeline facilities.</p> <p>The Sunset Advisory Commission discovered that from 2011 to 2015, Texas had 10 fatalities and 32 injuries related to pipeline incidents. Over the same period, operators spilled more than 150,000 barrels of hazardous liquids due to pipeline incidents. The total reported cost of all gas and hazardous liquids incidents during this time was over \$200 million, including clean-up costs.</p> <p>In lieu of looking to operators to pay a permit fee to support regulatory operations, the Railroad Commission assesses a pipeline safety fee on all natural gas distribution and municipal operators on a per service line basis who then pass this pipeline safety fee on to gas utility customers each year in their utility bill. Texas has the country’s largest pipeline system, the safety of which is of great importance to the Texas economy. With the type of damage occurring with pipelines, there needs to be more concrete expectations of the Commission and pipeline operators where the bulk of this responsibility should lie instead of with Texas families.</p> <p><b>Overall, HB 1818 is a start for making sustainable changes within the Railroad Commission. However, there are critical components missing in its composition that could lead to adverse consequences for the citizens of Texas, and the state itself. Please see the LSG amendment analysis for potential avenues for improving HB 1818.</b></p>	
<p><b><u>LSG Floor Report For General Calendar-Tuesday, March 28, 2017</u></b></p>				
<p><b>HB 377</b>                  By:                  Oliverson /                  Cortez /                  Miller /                  Flynn /                  Arévalo /                  et al.</p>	<p>Relating to the issuance of specialty license plates to surviving spouses of certain military veterans.</p>	<p>Defense &amp; Veterans’ Affairs</p>	<p>HB 377 would allow for widows of veterans to register for specialty license plates. Spouses would only be eligible for this so long as they remain unmarried after the veterans passes. Currently, spouses can only register for these specialty plates while the veteran is still alive, and may continue to re-register after their passing. However, many spouses do not find out about the ability to register for these plates until after their husband’s passing.</p> <p>This would be beneficial for spouses of deceased veterans as it would serve to both honor their husband or wife, as well as providing access to financial benefits available thru these specialty plates.</p>	<p><b>Favorable</b>                  Evaluated by:                  Kylie McNaught                  210-382-4295  <a href="mailto:Kylie@texaslsg.org">Kylie@texaslsg.org</a></p>



# Legislative Study Group Texas House of Representatives

<p><b>HB 283</b> By: Herrero / Hunter / Miller / Price / Cortez / et al.</p>	<p>Relating to the creation of an open burn pit registry for certain service members and veterans.</p>	<p>Public Health</p>	<p>HB 283 establishes an online registry for the purpose of outreach, education, and advocacy for active duty members and veterans exposed to open burn pits while deployed. Exposure to burn pit smoke has been linked to negative long term health effects including neurological deterioration, respiratory issues, increased risk of cancer, and negative psychological effects; some call burn pit exposure “our generation’s agent orange”. There is currently a federal open burn pit registry with approximately 101,000 registrants, but it is underutilized and does not include outreach and education components. Estimates show that as many as 600,000 Texas veterans may have been exposed to open burn pits; establishing a state registry tailored specifically to Texas veterans will ensure that they receive vital outreach, education, and treatment related to open burn pit exposure. Additionally, data collected via the registry can be used to conduct long-term epidemiological studies on the health impacts of burn pit exposure, which will serve to further protect Texas veterans in the future.</p> <p>The registry would be established and maintained by DSHS in coordination with the Texas Veteran’s Commission. The bill outlines specific information to be included in registry entries and mandates that the state registry link to the federal registry to ensure collaboration between Texas and the federal Veteran’s Administration. Additionally, the bill requires that DSHS submit a report biennially to the appropriate legislative committees outlining the effectiveness and utilization of the state registry and recommending any changes to improve its impact and efficiency.</p>	<p><b>Favorable</b> Evaluated by: Tyler Anderson 210-382-4295 <a href="mailto:Tyler@texaslsg.org">Tyler@texaslsg.org</a></p>
<p><b>HB 1317</b> By: King, Ken</p>	<p>Relating to the designation of U.S. Highway 287 in Claude as the Charles H. Roan Memorial Highway.</p>	<p>Defense and Veterans’ Affairs</p>	<p>HB 1317 moves to name U.S. Highway 287 in Claude after PFC Charles H. Roan. He sacrificed his life to save four fellow marines in the landing on Peleilu during World War II.</p>	<p><b>Favorable</b> Evaluated by: Kylie McNaught 210-382-4295 <a href="mailto:Kylie@Texaslsg.org">Kylie@Texaslsg.org</a></p>

