



Amendment Floor Report for HB 1818- Tuesday, March 28, 2017

Author	Analysis	Recommendation
Alonzo	<p>This amendment changes any instance of the name of the “Railroad Commission of Texas” to “Texas Oil & Gas Commission”, including cross-references and a new section outlining this name change in Chapter 81 of the Natural Resources Code. Further changes strike the mention of the word “railroad” and replace the term “railroad commissioner” with “oil & gas commissioner”.</p> <p>This amendment also adds a section to Subchapter B, Chapter 81, Natural Resources Code regarding the election and terms of commissioners. Three commissioners would be elected during the state and county officer general election, to serve six-year staggered terms, with one term expiring December 31 of even-numbered years. Vacancies are filled by governor appointment until the next general election.</p> <p>The name change from “Railroad Commission of Texas” to “Texas Oil & Gas Commission” (and replacement of the word “railroad” to “oil & gas”) provides clarity and transparency regarding the agency’s purpose and goals.</p>	Favorable
Anchia	<p>This amendment makes multiple regulations on political contributions made to Railroad Commissioners including:</p> <ul style="list-style-type: none"> • Commissioners and persons other than commissioners may not accept contributions intended to be used for an electoral campaign, including for the office of commissioner, <i>except</i> for the period: <ul style="list-style-type: none"> ○ Beginning 19 months before the date of the next general election for Railroad Commissioner ○ Ending the 30th day after the general election for Railroad Commissioner ○ Between the date a vacancy in the officer of commissioner occurs and ending on the date that vacancy is filled 	Favorable

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	<ul style="list-style-type: none"> Commissioners may not accept contributions from a party in a contested case before the commission or a political organization affiliated with a party in a contested case before the commission from the date the hearing of the contested case is given to the 30th day after the decision in the case is rendered. The amendment directs the commission to maintain a list of contested cases and all parties involved in those cases to aid commissioners in complying with this regulation Commissioners must return any contributions made in violation of this section that were accepted unknowingly within 30 days of accepting the contribution. <p>These regulations serve to improve transparency related to campaign contributions and mitigate conflicts of interest between the Railroad Commission and other entities.</p>	
<p>Anchia</p>	<p>This amendment would require that any business entity that enters into a contract with the Railroad Commission or is issued a license, permit, certificate, or authorization by the commission attest via an official form that they have diligently inquired into the immigration status of their employees and that none of their employees are undocumented. This provision also extends to subcontracted employees of the aforementioned entities. The amendment states that should an entity be found in violation of this section, the commission will refer the entity’s executive head to local law enforcement and to United States Immigration Customs Enforcement for proper prosecution and enforcement. Additionally, the amendment mandates that the Railroad Commission publish the name of any entity found in violation of this section on the commission’s website under the heading “Sanctuary Industries”.</p> <p>This amendment could lead to hiring or workplace discrimination against individuals who are perceived to be undocumented regardless of their immigration status and will negatively impact these individuals and their families by hindering their ability to find and maintain gainful employment.</p>	<p>Unfavorable</p>
<p>Cain</p>	<p>This amendment strikes every occurrence of the word “fee” and replaces it with “tax” to negatively characterize the bill. Many of the fees are imposed to penalize or deter operators from hazardous behavior; other fees are procedural. All fees are used to fund the oil and gas regulation and cleanup fund. Current fees include:</p> <ul style="list-style-type: none"> Application for exemption to railroad commission rule Oil-field cleanup regulatory fee Drilling permit fee Hazardous oil and gas waste generation fee Pipeline safety and regulatory fees Standard application and filing fees 	<p>Unfavorable</p>

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<p>Canales</p>	<p>This amendment requires an individual with one or more wells to provide benefits at the greatest amount of a well they are operating equal to one of the following:</p> <ul style="list-style-type: none"> • The amount determined by the oil and gas district a specified well is located in, multiplied by the number of feet of well-depth per each well. • If the specified well is a bay well, regardless if the well is producing oil or gas • If the specified well is offshore, regardless if the well is producing oil or gas • The payment otherwise due under policy for plugging a well. <p>The amendment updates blanket bond amounts that were set in 1991 to now match current up to date operations of the Railroad Commission as follows:</p> <ul style="list-style-type: none"> • (10 or fewer wells) -\$35,000 • (More than 10 wells, but no more than 20) -\$50,000 • (More than 20 wells, but no more than 35) -\$75,000 • (More than 35 wells, but no more than 60) -\$130,000 • (More than 60 wells, but less than 100) -\$215,000 • (Operating 100 wells or more) -\$250,000 <p>The commission by rule will set amounts of an individual operating a bay or offshore well at a reasonable amount that exceeds the amounts provided for the aforementioned bond amounts. Under this amendment, the RRC would be required at the beginning of each state fiscal year to determine the average cost for each foot of well-depth of plugging a well determined by the location of each oil and gas division district during the preceding state fiscal year. This amendment would help decrease the large backlog of abandoned wells in the state by revamping the currently inequitable and insufficient statutory bond requirements.</p>	<p>Favorable</p>
<p>Collier</p>	<p>This amendment crosses out “procedure of” for public hearings. The Railroad Commission shall still adopt rules and procedures reasonably required for the performance of its powers, duties, and functions under this chapter, including rules for notice and public hearings.</p> <p>This amendment amends the Water Code by adding: “The rules for public hearings shall require the Railroad Commission to hold a public hearing in the county in which the site of a proposed injection well is located to receive public comment for consideration by the commission in determining whether to grant the application for a permit for the well”. This amendment will create more accountability and transparency in between government and the people.</p>	<p>Favorable</p>
<p>Collier</p>	<p>This amendment amends the Water Code by adding that the rules for notice by the railroad commission shall include provisions for giving notice to local governments and affected persons “including an operator designated by the commission of a well located within one mile of the site of a proposed injection”. This amendment will create more accountability and transparency.</p>	<p>Favorable</p>

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Darby	Replaces all yearly requirements of the RRC to develop an “annual plan” for monitoring and enforcement to an “annual plan for each state fiscal year”. Changes the deadline the plan must be published from September 1 to July 1, and the first fiscal year the RRC is obligated to develop and publish the plan from 2019 to the state fiscal year beginning September 1, 2018.	Favorable
Howard	<p>This amendment increases penalties for violations under sections of the Natural Resources Code and Water Code to not exceed \$25,000. Currently, the commission adopts guidelines for determining penalties and this amendment would require the commission provide an opportunity for community input on the guidelines for penalties. The guidelines may include a penalty calculation worksheet and different penalties for different violations based on the severity and hazards the violations poses to health and safety.</p> <p>This amendment will add the following to what the guidelines will take into account for penalties:</p> <ul style="list-style-type: none"> • Number of times the permittees certificate of compliance has been canceled. • Economic benefits gained through the violation. • The penalty necessary to deter future violations. <p>The increase in penalties through this amendment will help deter violations. By requiring public input on the guidelines, the community has a more strategic opportunity to advocate for their health and safety. This amendment expands what information needs to be accounted for when coming up with the guidelines for penalties to hold permittees more accountable.</p>	Favorable
Krause	This amendment would remove a portion of 81.0681 of the Natural Resource Code that specifically funds the promotion for a better understanding of alternative fuels for consumers. Monies are allocated under the Oil and Gas Regulation and Cleanup Fund for the alternative fuels program.	Unfavorable
Krause	This Amendment would remove the alternative fuels programs from funding by the Oil and Gas Regulation and Cleanup Fund. Section 81.0681 of the Natural Resources Code mandates that the commission must use the Gas Regulation and Cleanup Fund for direct and indirect costs of the alternative fuels program, which includes research, development, and implementation of alternative fuels. Removing the alternative fuels programs from funding under the Gas Regulations and Cleanup Fund will inhibit Texas’ future ability to improve air quality, energy security, and our economy by limiting research and development for this program.	Unfavorable

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<p>Leach</p>	<p>Adds Sec 81.072 to the Natural Resources Code to prohibit the Railroad Commission from entering contracts with any business enterprise that opposes the nation of Israel. Businesses seeking contracts with the Commission would be required to verify in writing that they do not and will not boycott Israel during the contract. Discriminating against pro-Palestinian businesses restricts the ability of the Commission to select the most qualified vendor for its contracts, and the State of Texas should not get officially involved in the complicated geopolitical struggle between Israel and Palestine.</p>	<p>Unfavorable</p>
<p>Lucio III</p>	<p>Adds Subsection (e) to 81.0523 of the Natural Resources Code, giving the Railroad Commission and Texas Commission on Environmental Quality the authority to delegate monitoring, inspection, and enforcement duties to other political subdivisions within their boundaries. The extensive number of oil and gas operations within the state, combined with the scarcity of inspectors within the Commission, have led to a situation where many wells do not receive regular or timely inspections. Giving the Commission the ability to work with local governments who are willing to take on those duties will reduce the risk of environmental or public health incidents. The amendment does not address whether those local governments would be reimbursed by the Commission for inspection costs.</p>	<p>Favorable</p>
<p>Lucio III</p>	<p>Amends the Natural Resources Code to give municipalities the authority to enforce a state provision regarding subsurface safety valves on oil and gas wells in situations when a hurricane is approaching and the Railroad Commission has not intervened. This gives local governments the ability to prevent further public safety and environmental threats related to potential well failures after a natural disaster.</p>	<p>Favorable</p>
<p>Moody</p>	<p>This amendment allows any person, including the federal government, to file an evidenced complaint with the attorney general of an allegation that the Railroad Commission has violated requirements of Title 10 of the Government code, relating to contracting. The commission must comply with a request for any documents relating to the complaint filed within 30 days of notification of the violation, including agency contracting policies and each contract active during the same fiscal year in which the complaint occurred. The process for investigating and hearing the claim in court is as follows:</p> <ul style="list-style-type: none"> • If the attorney general determines the complaint is valid, the attorney general (AG) must notify the commission within 10 days of the date of determination that: <ul style="list-style-type: none"> ○ the complaint has been filed and determined to be valid by the AG, ○ the AG can file an action to enjoin the violation if the commission does not cure it within 90 days of notification, and ○ each commissioner and managerial or supervisory employee with intent to harm or defraud another has committed the violation subject to a civil penalty. • The AG may petition the chief justice of the supreme court to convene the special three-judge district court in Travis County to hear a petition for a writ of mandamus or appropriate equitable relief to encourage the cure the violation. Expenses incurred by this district court may be recovered by the AG. 	<p>Favorable</p>

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	<ul style="list-style-type: none"> The Texas Rules of Appellate Procedure oversees an appeal of any suit brought forward in the special three-judge district court, giving the final judgment as soon as possible. <p>The civil penalty will be set by the three-judge district court, and will be deposited to the credit of the general revenue fund. The classes of penalties are as follows:</p> <ul style="list-style-type: none"> First violation: \$1,000- \$1,500 Each subsequent violation: \$25,000- \$25,500 Each day of continuing violations of contracting requirements under Title 10, Government Code would count as a separate violation for the civil penalty. <p>Criminal offenses committed by a commissioner or managerial or supervisory employee with the intent to harm or defraud another are as follows:</p> <ul style="list-style-type: none"> Class C misdemeanor: Less than \$100; Class B misdemeanor: \$100- \$750; Class A misdemeanor: \$750- \$,2500; State jail felony: \$2,500- \$30,000; Third-degree felony: \$30,000- \$150,000; Second-degree felony \$150,000- \$300,000; First-degree felony: \$300,000 or more <p>This amendment clarifies that the commission’s governmental immunity is waived and abolished to the extent of liability in these provisions. This amendment further adds a provision in Section 22A.001(a), Government Code to extend the AG’s ability to petition the chief justice of the supreme court to convene a special three-judge district court in any case regarding an alleged violation of contracting requirements by the Texas Railroad Commission under Title 10, Government Code.</p>	
<p>Eddie Rodriguez</p>	<p>This amendment amends the Natural Resources Code:</p> <ul style="list-style-type: none"> The commission is composed of 3 commissioners elected at the general election for state and county officers. 	<p>Favorable</p>

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	<ul style="list-style-type: none"> • Commissioners are elected from numbered single-member districts. • Commissioners serve terms of 6 years, with the term of one commissioner expiring Dec/31 of each even-numbered year. • Strikes out “commissioners shall elect one commissioner as the chairman” and substitutes it with “one commissioner serves as the chairman”. <ul style="list-style-type: none"> ○ The chairman of the commission serves a 2-year term expiring Dec/31 of each odd-numbered year. ○ Position of chairman rotates among the commissioners in numerical order in accordance with number of single-member district represented by the commissioner. ○ The chairman shall ensure that the commission executes and implements the commission's administrative duties and responsibilities. <p>This amendment will just create more accountability in between commissioners and the general public.</p> <p>This amendment amends the Election code by removing “railroad commissioner” from the list of statewide offices in an election ballot and placing it last in the list of district offices on the election ballot. This amendment will give lead to better representation across the board especially in minority districts.</p>	
<p>Eddie Rodriguez</p>	<p>This amendment strikes on line 10 “2029” to substitute to “2023” The commission hasn’t been fully reviewed since the 83rd. A comprehensive review of the substantive changes made by HB 1818 to the Commission in the preceding years would be helpful for all stakeholders. This offers the opportunity to reform any of the changes made in the Railroad Commission sooner rather than later.</p>	<p>Favorable</p>
<p>Schaefer</p>	<p>This amendment mandates that single-sex multiple-occupancy restrooms and changing facilities under the jurisdiction of the Railroad Commission be used only by persons of the same biological sex. The amendment authorizes a civil penalty between \$1,000 and \$10,500 for the railroad commission should they violate this section. This amendment is ideologically driven and serves no substantive purpose except to enact discriminatory legislation toward transgender and gender nonconforming individuals.</p>	<p>Unfavorable</p>
<p>Schaefer</p>	<p>This amendment authorizes the Railroad Commission to discriminate against transgender people by prohibiting them from using the restroom that corresponds with their gender identity. It requires the commission to have bathrooms designated for and used only by persons of the same biological sex in all buildings owned, leased or under the commission’s authority.</p>	<p>Unfavorable</p>
<p>Schaefer</p>	<p>This amendment expands the caption of the bill to include authorization of a civil penalty. There are currently no civil penalties included in C.S.H.B. 1818 and including the authorization in the caption is misleading. This amendment could also open the bill up to amendments that include the imposition of unnecessary or discriminatory penalties.</p>	<p>Unfavorable</p>

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<p>Tinderholt</p>	<p>Amends the Natural Resource Code by adding “For the purpose of complying Subchapter D, Chapter 2161, Government Code, the commission shall adopt a rule in the manner provided by law to ensure that, in the case of determining whether a business is a ‘historically underutilized business based on, at least in part, ownership by one or more women, the term ‘woman’ or ‘women’ shall mean the physical condition of being female, as stated on a person’s birth certificate”. This amendment is discriminatory towards the LGBT community especially transgender individuals, and it is highly unnecessary. This amendment also discourages entrepreneurship. Currently, Texas is #2 in women-owned businesses growth and this amendment could potentially eliminate this ranking for Texas. Additionally, there could be current transgender women who have small businesses and the entrepreneurship spirit that benefit from this business tax credit therefore, this will do more damage in entrepreneurship development.</p>	<p>Unfavorable</p>
<p>Turner</p>	<p>Under Section 27.034(a) of the Water Code, this amendment would change the rules for holding a public hearing to require that the hearing in the municipality where the site of the proposed injection well is located when the population of the municipality is 150,000 or more and an elected member of the legislature requests that the Railroad Commission hold a public hearing if all or part of the member’s district is included in the territory.</p>	<p>Favorable</p>
<p>Turner</p>	<p>Under the Natural Resources Code (Section 81.0523), this amendment would affect a municipality or other political subdivision that passed an ordinance before May 18, 2015 that have in any way limited, prohibited, or regulated the use or drilling of disposal wells for gas waste in that territory in that they may notify the Railroad Commission that a pending permit application would be regulated, limited, or prohibited under another ordinance. Regardless of Chapter 27 of the Water Code, if the Railroad Commission obtains notice under this section, the commission may not issue a permit unless the permit complies with the former ordinance.</p>	<p>Favorable</p>
<p>Turner</p>	<p>This amendment states that the railroad commission may not issue a disposal well permit unless the commission definitively ensures that the disposal well is not located within three miles of a dam, lake, or reservoir under Section 27.031 of the Water Code.</p>	<p>Favorable</p>
<p>Walle</p>	<p>This amendment adds enforcement provisions regarding pipeline safety. Requires the Railroad Commission to post to their website comprehensive data concerning enforcement and inspections, degree of violations, violations referred for enforcement, penalty amounts assessed, quarterly trends of enforcement activity, complaints received and amount of time taken by the commission to resolve them, and inspections down out of the commission's own initiative. This amendment requires that information gathered under this section must be searchable specifically by county, operator, well, or other entity if applicable. This amendment highlight the need for more concrete expectations of the Commission and all oil and gas enforcement to best ensure accountability of the RRC and pipeline operators.</p>	<p>Favorable</p>

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