

SUBJECT: Allowing the Texas Railroad Commission to seek and receive gifts

COMMITTEE: Energy Resources — favorable, without amendment

VOTE: 8 ayes — Holzheuser, West, Dutton, Hawley, Hirschi, Jackson, Smithee, Torres
0 nays

WITNESSES: For — None
Against — None
On — Brenda Loudermilk, Texas Railroad Commission

BACKGROUND: Current law authorizes the Texas Railroad Commission to accept gifts for limited purposes, such as for alternative fuels research and for education.

DIGEST: HB 1442 would grant express authority for the Railroad Commission to solicit and accept grants, gifts, money or other assistance from any source to carry out any program authorized by law.

SUPPORTERS SAY: HB 1442 would provide clear statutory authority to the Railroad Commission to apply for grants and accept gifts or money to support its programs. The commission is frequently offered items such as railroad maps and historical memorabilia, but has no statutory authority to accept such gifts.

Receipt of outside funds would increase the commission's ability to support its activities and programs. The bill would further the state policy of seeking funds from all possible sources to meet an agency's mission and goals.

Other state agencies with regulatory authority, including the Texas Natural Resources Conservation Commission, General Land Office, Texas Employment Commission and Department of Agriculture, already have statutory authority to receive gifts. No evidence suggests that these agencies are influenced by gifts or grants they may receive from parties

they regulate. To require that the Railroad Commission alone decline gifts from such parties, or to arbitrarily limit such gifts, would be unfair.

**OPPONENTS
SAY:**

The Texas Railroad Commission should not be allowed to solicit or accept gifts, without any limits on timing or amounts, from parties with a contested case before the commission. Even if a gift were not given with the intent of influencing the outcome of a contested case, the appearance of undue influence could undermine the credibility of any decision the commission might make.

NOTES:

SB 550 by Nixon, the companion to HB 1442, passed the Senate by 30-0 on February 28. The Senate adopted an amendment by Sen. Montford to prohibit a party in a contested case before the commission from giving a gift greater than \$1,000 to the commission until 30 days after a final decision is rendered in the contested case. SB 550 was reported favorably by the House Energy Resources Committee on March 9 with a committee substitute deleting the Montford amendment.