

**SUBJECT:** Removing cap on oil and gas regulation and cleanup fund

**COMMITTEE:** Energy Resources — favorable, without amendment

**VOTE:** 9 ayes — Paddie, Herrero, Bailes, Craddick, Darby, Gutierrez, Harris, Perez, Rosenthal

0 nays

2 absent — Anchia, Geren

**WITNESSES:** For — Cyrus Reed, Lone Star Chapter Sierra Club; (*Registered, but did not testify*: Lindsey Miller, Anadarko Petroleum; Lauren Spreen, Apache Corporation; Paula Bulcao, BP America, Inc.; Mark Harmon, Chesapeake Energy; Stan Casey, Concho Resources; Tom Sellers, ConocoPhillips; Teddy Carter, Devon Energy; Caleb Troxclair, EOG Resources, Parsley Energy, SM Energy; Samantha Omey, ExxonMobil; Jimmy Carlile, Fasken Oil and Ranch; Bill Stevens, Panhandle Producers and Royalty Owners Association, Texas Alliance of Energy Producers; Michael Lozano, Permian Basin Petroleum Association; Mark Gipson, Pioneer Natural Resources; Ryan Paylor, Texas Independent Producers & Royalty Owners Association; Tulsı Oberbeck, Texas Oil and Gas Association)

Against — None

On — Wei Wang, Railroad Commission of Texas; (*Registered, but did not testify*: Corey Crawford, Railroad Commission of Texas)

**BACKGROUND:** Natural Resources Code sec. 81.067 establishes the oil and gas regulation and cleanup fund as an account in the general revenue fund. The Railroad Commission is required to certify to the comptroller the date on which the fund balance equals or exceeds \$30 million. The oil-field cleanup regulatory fees on oil and gas may not be collected or required to be paid on or after the first day of the second month following the certification. The comptroller resumes collecting the fees on receipt of a commission certification that the fund has fallen below \$25 million.

Some suggest the cap on the oil and gas regulation and cleanup fund limits the ability of the Railroad Commission to finance critical projects.

DIGEST: HB 2675 would remove the cap on the oil and gas regulation and cleanup fund.

The bill would take effect September 1, 2019.