

SUBJECT: Barring state agencies from assisting federal oil, gas operation regulation

COMMITTEE: Energy Resources — committee substitute recommended

VOTE: 6 ayes — Goldman, Craddick, Ellzey, Geren, Leman, Longoria

1 nay — Reynolds

4 absent — Herrero, Anchia, Darby, T. King

WITNESSES: For — Jason Modglin, Texas Alliance of Energy Producers; Tom Glass, Texas Constitutional Enforcement; (*Registered, but did not testify*: Bill Stevens, Panhandle Producers and Royalty Owners Association; Ben Shepperd, Permian Basin Petroleum Association; Ryan Paylor, Texas Independent Producers & Royalty Owners Association; Tulsı Oberbeck, Texas Oil and Gas Association)

Against — (*Registered, but did not testify*: Cyrus Reed, Lone Star Chapter Sierra Club)

On — Chris Herrington, City of Austin

BACKGROUND: Natural Resources Code sec. 81.0523 defines an "oil and gas operation" as an activity associated with the exploration, development, production, processing, and transportation of oil and gas, including drilling, hydraulic fracture stimulation, completion, maintenance, reworking, recompletion, disposal, plugging and abandonment, secondary and tertiary recovery, and remediation activities.

DIGEST: CSHB 1683 would prohibit a state agency or person employed by a state agency from contracting with or in any other manner providing assistance to a federal agency or official regarding the enforcement of a federal statute, order, rule, or regulation purporting to regulate oil and gas operations if the statute, order, rule, or regulation imposed a prohibition, restriction, or other regulation that did not exist under state law.

The attorney general would have to defend any agency of this state that the federal government attempted to sue for an action or omission consistent with the requirements of the bill.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021.

**SUPPORTERS
SAY:**

CSHB 1683 would protect the state's energy fields and jobs by preventing implementation of any new overreaching federal regulations on oil and gas production in Texas. The oil and gas industry in Texas provides billions of dollars in state revenue and represents a large percentage of the nation's total oil production. Texas regulators, notably the Railroad Commission and Texas Commission on Environmental Quality, do an outstanding job holding the industry accountable for preventing the waste of natural resources and protecting the environment, and the bill would defend that responsibility and delegation authority.

**CRITICS
SAY:**

Under federal law, many Texas state programs are delegated by the federal government and are under agreements to collaborate with federal enforcement regulations. CSHB 1683 could create a delegation issue for these state programs and would undermine delegation authority. The bill could significantly limit cooperation between the state and federal government which would impact the efficiency of state programs.