

## **BILL ANALYSIS**

Senate Research Center  
81R6352 SMH-F

H.B. 4247  
By: Keffer (Averitt)  
Natural Resources  
5/20/2009  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 4247 separates cash deposits that are received in lieu of a bond or letter of credit from other fees in the oil-field cleanup fund. These cash deposits are required with the P-5 filing. Separating these dollars into a distinct dedicated fund helps prevent confusion on the actual account balance. Also, the Railroad Commission of Texas has a fiduciary relationship to hold these funds in trust for the owner or operator.

H.B. 4247 amends current law relating to the use of the proceeds of cash deposits filed with the Railroad Commission of Texas by certain persons under the jurisdiction of the commission and deposited in the oil-field cleanup fund.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 91.108, Natural Resources Code, to provide that proceeds from cash deposits filed with the Railroad Commission of Texas under Section 91.1093 (Persons Required to Execute Bond, Letter of Credit, or Cash Deposit) and deposited in the oil-field cleanup fund are held in trust to be used only as provided by this section and are prohibited from being commingled with other money in the fund. Authorizes proceeds described by this section to be used only for actual well plugging and surface remediation, notwithstanding Section 91.112 (Purpose of the Fund) and 91.113 (Investigation, Assessment, or Cleanup by Commission). Makes a nonsubstantive change.

SECTION 2. Effective date: September 1, 2009.