

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 568  
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Natural Resources & Economic Development  
4/25/2017  
Committee Report (Substituted)

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

S.B. 568 would require the Railroad Commission of Texas (railroad commission) to develop a searchable and downloadable web-based database where the public can search, by county or company name, for violations and related inspection reports and enforcement actions, as well as for complaints against companies and relevant reports for how those complaints were resolved.

In 2016, the Sunset Advisory Commission (Sunset) staff reported extensively on the railroad commission's challenges with data collection, concluding that among other issues, it fails to adequately distinguish between minor and major violations, resulting in nearly 40,000 actionable spills not being referred for enforcement. Sunset staff report that, while the railroad commission launched a new inspection database in 2015 that was designed to track more detailed information about inspections and violations, the extent to which the new system will capture necessary data was not clear. For instance, following the railroad commission's recent response to a legislative request for information about apparent oil and gas-related spills into various Texas waterways during flooding events, advocates concluded that the agency was unable to describe specifically what oil and chemicals may have migrated downstream or describe the volume of chemicals released during flooding.

Texans should have confidence that the state's oil and gas regulatory agency can adequately monitor operator compliance and track spills. Citizens should also have access to information documenting spills and the railroad commission's response to them.

S.B. 568 requires the railroad commission to track the complete number of oil and gas violations its staff cite annually and report this number on an improved web-based database. Specifically, S.B. 568 requires the railroad commission to publish inspection and enforcement activity, violations, and the amount of penalties finally assessed. It requires publication of quarterly trends regarding the railroad commission's enforcement activity and requires publication of annual trends regarding complaints filed with the railroad commission. The railroad commission would be required to publish information in a searchable format; organized by county, by operator or other entity, and by well, if applicable; and capable of being downloaded in bulk. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 568 amends current law relating to the posting by the Railroad Commission of Texas on its Internet website of certain enforcement information.

### **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 Subchapter C, Chapter 81, Natural Resources Code, by adding Section 81.071, as follows:

Sec. 81.071. ENFORCEMENT INFORMATION. (a) Requires the Railroad Commission of Texas (railroad commission) to post on the railroad commission's website comprehensive information regarding the railroad commission's enforcement of this title

(Oil and Gas) and rules, orders, licenses, permits, and certificates issued under this title, including certain information; information evidencing quarterly trends regarding enforcement activity by the railroad commission, including the number of inspections conducted, the number of violations for which enforcement action has been taken, categorized in a certain way, the number of repeat violations; the number of violations referred to the Texas attorney general for enforcement; and an analysis of annual trends regarding enforcement activity by the railroad commission.

(b) Requires that the information required to be posted be in a searchable format; be organized by county, by operator, or other entity and by well, if applicable; and be capable of being downloaded in bulk.

SECTION 2. Requires the railroad commission to comply with Section 81.071(b), Natural Resources Code, as added by this Act, not later than January 1, 2019.

SECTION 3. Requires the railroad commission to implement Section 81.0171, Natural Resources Code, as added by this Act, using only money that is appropriated to the railroad commission by the General Appropriations Act for the state fiscal biennium beginning September 1, 2017, for public information and services and that is available to be spent for the publication on the railroad commission's Internet website of information about the railroad commission's inspection and enforcement activities. Requires the railroad commission, if the railroad commission determines that it is not required to implement that statute because the legislature has not appropriated money available for that purpose, to notify the Legislative Budget Board of that determination.

SECTION 4. Effective date: September 1, 2017.