

BILL ANALYSIS

C.S.H.B. 2154
By: Landgraf
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Due to extraordinary growth in oil and gas tax collections since 2006, the economic stabilization fund is projected to reach a record high balance of approximately \$15 billion at the end of the 2020-21 biennium. However, it has been noted that in recent years the regions of Texas responsible for the growth in the state's oil and natural gas production have encountered significant challenges that have limited the potential growth of the energy sector and could pose a significant threat to the sustained future growth of oil and natural gas production in the state. C.S.H.B. 2154 seeks to establish the generate recurring oil wealth for Texas (GROW Texas) study commission to study the needs of areas of Texas significantly affected by oil and gas production and to make recommendations to the legislature regarding the appropriation of money in the GROW Texas fund if that fund is created by the applicable constitutional amendment proposed by the 86th Legislature, Regular Session, 2019.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2154 establishes the generate recurring oil wealth for Texas (GROW Texas) study commission to study the needs of areas of Texas significantly affected by oil and gas production and to make recommendations to the legislature regarding the appropriation of money in the GROW Texas fund established in the applicable constitutional amendment proposed by the 86th Legislature, Regular Session, 2019. The bill sets out the composition of the commission, provides for its operation and administration, and requires applicable appointments and designations to be made not later than the 30th day after the bill's effective date. The bill requires the commission to develop recommendations to address issues related to the specific needs of areas of the state from which oil and gas are produced, requires the commission to address issues related to the costs to political subdivisions to address such identified needs, and specifies that such needs include:

- needs relating to infrastructure degradation caused by oil and gas production activities;
- increased public health and safety needs; and
- educational and workforce training needs.

C.S.H.B. 2154 requires the commission, not later than December 31, 2020, to prepare and deliver a report to the governor and the legislature that recommends statutory changes to address

the needs of areas of Texas significantly affected by oil and gas production and the appropriation of state funds dedicated for those purposes. The bill authorizes the commission to hold public meetings as needed to fulfill its duties under the bill's provisions and subjects the commission to state open meetings and state public information law. The commission is abolished and the bill's provisions expire February 1, 2021.

EFFECTIVE DATE

January 1, 2020, if the constitutional amendment providing for the creation of the generate recurring oil wealth for Texas (GROW Texas) fund, dedicating the money in that fund to benefit areas of the state from which oil and gas are produced, and providing for the transfer of certain general revenues to that fund, the economic stabilization fund, and the state highway fund is approved by the voters.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2154 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes provisions relating to a commission to study the needs of areas of the state significantly affected by oil and gas production and does not include any provisions from the original, which relates to the allocation of certain constitutional transfers of money to the economic stabilization fund, the state highway fund, and the generate recurring oil wealth for Texas (GROW Texas) fund and to the permissible uses of money deposited to the GROW Texas fund.