

SUBJECT: Governance of the Railroad Commission by a single commissioner

COMMITTEE: Energy Resources — committee substituted recommended

VOTE: 7 ayes — Keffer, Crownover, Crabb, Farabee, Gonzalez Toureilles, Hardcastle, Strama

1 nay — Craddick

1 absent — Rios Ybarra

WITNESSES: For — (*Registered, but did not testify:* Bill Stevens, Texas Alliance of Energy Producers)

Against — None

On — Victor Carrillo, Railroad Commission of Texas

BACKGROUND: Art. 16, sec. 30 of the Texas Constitution provides that the Texas Railroad Commission be governed by an elected three-member commission whose members serve staggered six-year terms.

DIGEST: CSHJR 62 would amend the Texas Constitution, sec. 30, article XVI, by providing that the Railroad Commission be governed by a single railroad commissioner whose term of office would be four years.

CSHJR 62 would require the first railroad commissioner to be elected at the general election held in November 2012 to serve for term that begins January 1, 2013.

The members of the Railroad Commission under prior law would continue to hold office until the first railroad commissioner was elected.

If on January 1, 2013, the new office were vacant because the first railroad commissioner-elect had died, had refused, or was unable to serve, the members of the Railroad Commission would continue to hold office until the governor filled the vacancy by appointment.

The three-member governing body of the Railroad Commission would be abolished at the time the first railroad commissioner was elected, or in extraordinary circumstances, appointed.

The railroad commissioner would succeed to all powers, duties, and obligations of the three-member governing body of the Railroad Commission of Texas.

The temporary provision would expire January 1, 2014.

The proposal would be presented to the voters at an election on Tuesday, November 3, 2009. The ballot proposal would read: "The constitutional amendment to provide that the Railroad Commission of Texas will be governed by a single elected railroad commissioner instead of by an elected three-member commission "

**SUPPORTERS
SAY:**

By having the Texas Railroad Commission governed by a single commissioner, the state would save about \$950,000 per year or \$3.8 million over four years in salaries and benefits for the commissioners and their staff.

CSHJR 62 would streamline the decision-making process. Every decision or discussion must be done according to open meetings rules with a seven-day posting requirement. It can be difficult to coordinate the schedules of three elected officials.

The Railroad Commission is the only agency in the state with three elected officials. Streamlining the commission would provide a clearer policy direction and more efficiency, transparency, and accountability. The current situation can be compared to a car with three drivers and three steering wheels. Concentrating regulatory and administrative authority in a single commissioner, as with the elected heads of the General Land Office and the Texas Department of Agriculture and the appointed insurance commissioner, would allow the people to know who is accountable and responsible for actions that may affect their lives. Because the term of a single railroad commissioner would not begin until 2013, there would be time to make appropriate adjustments for handling contested cases.

**OPPONENTS
SAY:**

The Railroad Commission is a regulatory agency that decides contested case hearings. CSHJR 62 would eliminate a full commission with members of differing perspectives and expertise that cannot be achieved

with a single representative. For good reason, there currently are no state utility commissions with only one commissioner.

Texas currently are burdened with some of the highest utility costs in the nation. Deliberation and discussion among a commission of individuals is what is needed, rather than unilateral decision-making.

NOTES:

HB 1231 by Farabee, the enabling legislation for HJR 62, is on today's General State Calendar.

The committee substitute differs from the original by requiring that the first railroad commissioner be elected at the general election in November 2012 for a term that begins January 1, 2013, rather than an election in 2010 to begin a term in 2011, and by providing an expiration date for the temporary provisions of January 1, 2014, rather than January 1, 2012.

According to the fiscal note, savings to the Railroad Commission would begin in 2013. A total of 10 FTEs would be eliminated, including two commissioners and eight staff. Savings to the general revenue fund would be \$632,834 for eight months of reductions in 2013. In each subsequent year there would be a savings of \$949,251.