

BILL ANALYSIS

Senate Research Center
77R10256 QS-D

C.S.S.B. 946
Brown, J. E. "Buster"
Natural Resources
3/21/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Current law allows the Railroad Commission of Texas (commission) to sell salvageable equipment and hydrocarbons after the 30th day from the date a certified notice is sent to the operator requiring the operator to plug a well and/or remediate a pollution site or request a hearing. Although the current statute prevents a person from removing any well site equipment once the certified notice has been sent to the operator, the commission may not sell the equipment or any hydrocarbons until it enters into a contract to plug a well or remediate a site. C.S.S.B. 946 eliminates the contracting requirement prior to selling salvageable equipment and hydrocarbons.

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 89.043(c), Natural Resources Code, to add language authorizing the Railroad Commission of Texas (commission) to plug a well and foreclose its statutory lien under Section 89.083 unless the operator requests a hearing not later than the 10th day after the date the operator receives the notice. Requires the notice to the operator to state that the commission has a statutory lien on all well-site equipment under Section 89.083 which may be foreclosed on the 15th day after the date the noticed is mailed if a valid hearing request has not been received by that date.

SECTION 2. Amends Section 89.083(c), Natural Resources Code, to authorize the lien to be foreclosed by judicial action, or commission order at any time after notice and an opportunity for a hearing. Provides that if notice is mailed under Section 89.043 and if the lien is not previously foreclosed, the lien is foreclosed by operation of law on the 15th day after the notice is mailed unless the commission has received a valid and timely request for a hearing before that date. Deletes language authorizing the commission to foreclose on the lien by entering into a plugging contract. Makes a conforming change.

SECTION 3. Amends Sections 89.085(a), (g), and (h), Natural Resources Code, to make conforming changes.

SECTION 4. Amends Sections 89.086(a) and (c), Natural Resources Code, to make conforming changes.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: upon passage or September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Adds a new SECTION 5 to make application of this Act prospective.

Renumbers SECTION 5, effective date, as SECTION 6.

Further differs from original by making nonsubstantive and conforming changes.