

BILL ANALYSIS

Senate Research Center
79R6006 MTB-D

S.B. 1382
By: Shapiro
Government Organization
4/15/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Railroad Commission of Texas (commission) has four regulatory divisions that oversee the Texas oil and gas industry, gas utilities, safety in the liquefied petroleum gas industry, the surface mining of coal and uranium, and pipeline and rail safety. The division within the commission that deals with railroads has become minute, only dealing with rail safety. The Texas Department of Transportation (TxDOT) plans, constructs, and maintains railroads in the State of Texas.

S.B. 1382 changes the name of the commission to the Texas Energy Commission in order to truly represent the current responsibilities of the agency. S.B. 1382 also moves the remaining rail safety functions in the commission to TxDOT.

S.B. 1382 also transfers a uranium mining function within the Texas Commission on Environmental Quality and the State Energy Conservation Office within the Office of the Comptroller of Public Accounts of the State of Texas to the commission in order to keep state energy-related processes within the same agency.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Energy Commission in SECTION 9 (Section 27.037, Water Code) of this bill.

Rulemaking authority previously granted to the comptroller of public accounts of the State of Texas is transferred to the Texas Energy Commission in SECTION 4 (Section 2305.011, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 447.001, Government Code, to provide that the state energy conservation office is under the direction and control of the Texas Energy Commission (commission), rather than the comptroller of public accounts of the State of Texas (comptroller).

SECTION 2. Amends Section 2305.002(3), Government Code, to redefine "energy office."

SECTION 3. Amends the heading to Section 2305.011, to read as follows:

Sec. 2305.011. ADMINISTRATION BY TEXAS ENERGY COMMISSION AND ENERGY OFFICE.

SECTION 4. Amends Section 2305.011(f), Government Code, to make a conforming change.

SECTION 5. Amends Section 2305.022, Government Code, to authorize money in the oil overcharge account to be used only by the governor and the commission, rather than comptroller's office, to implement and operate the programs authorized by this chapter.

SECTION 6. Amends Subchapter A, Chapter 81, Natural Resources Code, by adding Section 81.002, as follows:

Sec. 81.002. TEXAS ENERGY COMMISSION. Provides that the Railroad Commission of Texas (RRC) is renamed the Texas Energy Commission, that a reference

in law to RRC means the commission, and that the commission is the successor agency to RRC under Subsection (b), Section 30, Article XVI, Texas Constitution.

SECTION 7. Amends Section 27.002(12), Water Code, to redefine "extraction of minerals."

SECTION 8. Amends the heading to Subchapter C, Chapter 27, Water Code, to read as follows:

SUBCHAPTER C. JURISDICTION OF TEXAS ENERGY COMMISSION

SECTION 9. Amends Subchapter C, Chapter 27, Water Code, by adding Section 27.037, as follows:

Sec. 27.037. JURISDICTION OVER IN SITU URANIUM MINING. Provides that the commission has jurisdiction over in situ uranium mining and authorizes the commission to issue permits for injection wells used for in situ uranium mining. Prohibits a person from beginning to drill an injection well to be used for in situ uranium mining unless that person holds a permit for the well issued by the commission under this chapter. Requires the commission to adopt rules that are necessary to administer and regulate in situ uranium mining. Provides that, for purposes of regulation by the commission, an injection well used for in situ uranium mining is designated as a Class III well under the underground injection control program administered by the commission.

SECTION 10. Amends Article 6445, Revised Statutes, effective January 1, 2006, to provide that all power and authority designated under this section are hereby conferred upon the Texas Department of Transportation (department), rather than RRC, that all powers and duties of the commission that relate to railroads and the regulation of railroads are transferred to the commission, and that a reference in law to RRC or the commission that relates to railroads and the regulation of railroads means the department.

SECTION 11. Provides that, on January 1, 2006, all offices, functions and activities, employees, rules, standards or forms, proceedings, money, contracts, leases, rights, and obligations, or property of, and all appropriations to the comptroller related to the direction and control of the state energy conservation office under Chapter 447 or 2305, Government Code, is transferred to the Texas Energy Commission. Provides that a reference to the comptroller in a statute or rule that relates to direction and control of the state energy conservation office under Chapter 447 or 2305, Government Code, means the Texas Energy Commission.

SECTION 12. Provides that, on January 1, 2006, the name, powers, duties, rights, obligations, and members of and appropriations to the Railroad Commission of Texas are transferred to the Texas Energy Commission. Provides that on January 1, 2006, a reference in law to the Railroad Commission of Texas means the Texas Energy Commission. Provides that the Texas Energy Commission is the successor to the Railroad Commission of Texas in all respects and that all personnel, equipment, data, documents, facilities, contracts, items, other property, rules, decisions, and proceedings of or involving the Railroad Commission of Texas are unaffected by the change in the name of the agency. Requires the Railroad Commission of Texas to adopt a timetable for phasing in the change of the agency's name so as to minimize the fiscal impact of the name change. Authorizes the agency, until January 1, 2006, to allow for phasing in the change of the agency's name and in accordance with the timetable established as required by this section, to perform any act authorized by law for the Railroad Commission of Texas as the Railroad Commission of Texas or as the Texas Energy Commission. Provides that any act of the Railroad Commission of Texas acting as the Texas Energy Commission after the effective date of this act and before January 1, 2006, is an act of the Railroad Commission of Texas.

SECTION 13. Provides that, on January 1, 2006, a rule, standard, or form of the Texas Commission on Environmental Quality that is related to in situ uranium mining becomes a rule, standard, or form of the Texas Energy Commission and remains in effect until amended or repealed by the energy commission. Requires the Texas Commission on Environmental Quality to transmit to the Texas Energy Commission any application for a permit for an injection well to be used for in situ uranium mining that is pending with the Texas Commission on Environmental Quality, and requires the Texas Energy Commission to continue the proceedings related to each application transmitted under this subdivision. Provides that this Act does not invalidate a

permit for an injection well used for in situ uranium mining that was issued by the Texas Commission on Environmental Quality before January 1, 2006. Requires the Texas Energy Commission to issue a substitute permit under the name and authority of the energy commission to each person who on January 1, 2006, holds a permit issued by the Texas Commission on Environmental Quality for an injection well used for in situ uranium mining. Provides that a permit for an injection well used for in situ uranium mining that was issued by the Texas Commission on Environmental Quality before January 1, 2006, remains in effect until the permit holder receives a substitute permit issued by the Texas Energy Commission.

SECTION 14. Provides that, on January 1, 2006, all powers, duties, obligations, rights, contracts, leases, records, assets, property, funds, appropriations, rules, policies, forms, procedures, decisions, employees, investigations, complaints, actions, contested cases, or other proceedings of the Texas Energy Commission relating primarily to railroads and the regulation of railroads are Transferred to the Texas Department of Transportation. Provides that the transfer of power and duties of the Texas Energy Commission that relate primarily to railroads and the regulation of railroads to the Texas Department of Transportation does not affect the validity of a right, privilege, or obligation accrued, a contract or acquisition made, any liability incurred, a permit or license issued, a penalty, forfeiture, or punishment assessed, a rule adopted, a proceeding, investigation, or remedy begun, a decision made, or other action taken by or in connection with the Texas Energy Commission.

SECTION 15. Effective date: January 1, 2006, except that this Act takes effect September 1, 2005, for the limited purpose of allowing the Railroad Commission of Texas and other state agencies affected by this Act to prepare for the changes in law made by this Act.