

BILL ANALYSIS

Senate Research Center
81R10351 TRH-F

S.B. 2355
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas has more pipelines than other states in the nation. While the Railroad Commission of Texas (RRC) is responsible for overseeing pipeline operations and safety, the 79th Texas Legislature, 2005, expanded RRC's oversight scope to include pipeline damage prevention. Increased development of natural gas fields, including the Barnett Shale in North Texas, compounds RRC's pipeline safety responsibilities.

As proposed, S.B. 2355 creates the pipeline safety fund and sets forth provisions relating to the use of the fund.

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 E, Chapter 121, Utilities Code, by adding Section 121.212, as follows:

Sec. 121.212. PIPELINE SAFETY FUND. (a) Provides that the pipeline safety fund is created as a special account in the general revenue fund. Provides that the fund consists of:

- (1) fees collected under Section 121.211 (Pipeline Safety Fees);
- (2) civil penalties and administrative penalties collected for violations under Subchapters E (Pipeline Safety) and F (Gas Safety);
- (3) civil penalties collect for violations under Section 121.302 (Civil Penalty);
- (4) administrative penalties collected for violations of Section 121.304(a)(2) (relating to administrative penalties against a gas utility if a violation poses a threat to the public safety);
- (5) civil penalties collected for violations under Chapters 117 (Hazardous Liquid or Carbon Dioxide Pipeline Transportation Industry) and 118 (Pipeline Assessment and Testing), Natural Resources Code;
- (6) criminal penalties collected under Chapter 117, Natural Resources Code; and
- (7) settlement amounts collected by the attorney general under Subdivisions (1) - (5).

(b) Authorizes amounts deposited in the fund to be appropriated only to the Railroad Commission of Texas for the implementation and enforcement of the pipeline safety standards and practices of Chapters 117 and 118, Natural Resources Code; Subchapters E and F; and Section 756.126 (Safety Standards and Best Practices), Health and Safety Code, and the performance of other pipeline safety duties under 49 U.S.C. Section 60101 et seq., or a succeeding law.

SECTION 2. Repealer: Section 121.211(h) (relating to requiring fees collected under this section to be deposited to the credit of the general revenue fund to be used for the pipeline safety program), Utilities Code.

SECTION 3. Effective date: September 1, 2009.