

**JIM WRIGHT, CHAIRMAN**  
**CHRISTI CRADDICK, COMMISSIONER**  
**WAYNE CHRISTIAN, COMMISSIONER**



**ALEXANDER C. SCHOCH, GENERAL COUNSEL**

# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL




### MEMORANDUM

**TO:** Chairman Jim Wright  
 Commissioner Christi Craddick  
 Commissioner Wayne Christian

**FROM:** Olivia Alland, Attorney  
 Office of General Counsel

**THROUGH:** Alexander C. Schoch, General Counsel  
 Natalie Dubiel, Assistant General Counsel

**DATE:** August 19, 2025

August 19, 2025		
Approved	Denied	Abstain
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**SUBJECT:** Item 923: Adoption of Amendments to 16 TAC § 12.108, relating to Permit Fees

Attached is Staff's recommendation to adopt amendments to 16 Texas Administrative Code § 12.108, relating to Permit Fees. The amendments implement provisions of Senate Bill 1, 89th Texas Legislature (Regular Session, 2025), Article VI, Railroad Commission Rider 5, which requires the amounts appropriated from general revenue for state fiscal years 2026 and 2027 to cover the cost of permitting and inspecting coal mining operations.

On June 17, 2025, the Commission approved publication of the proposed amendments in the Texas Register. The proposal was published in the July 4, 2025 issue (50 TexReg 3848), and the public comment period closed on August 4, 2025. No comments were received. Staff recommends adopting the amendments to Rule 12.108 without changes.

cc: Wei Wang, Executive Director  
 Joseph Parks, Director, Surface Mining and Reclamation Division  
 Adam Krabbenhoft, Assistant Director, Surface Mining and Reclamation Division  
 Natalie Dubiel, Assistant General Counsel, Office of General Counsel

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1           The Railroad Commission of Texas (Commission) adopts amendments to §12.108, relating to  
2 Permit Fees, without changes to the proposed text as published in the July 4, 2025, issue of the Texas  
3 Register (50 TexReg 3848) and will not be republished. The Commission adopts the amendments to  
4 implement provisions of Senate Bill 1, 89th Texas Legislature (Regular Session, 2025), and, specifically,  
5 Article VI, Railroad Commission Rider 5, which requires the amounts appropriated from general revenue  
6 for state fiscal years (FY) 2026 and 2027 to cover the cost of permitting and inspecting coal mining  
7 operations. The Rider is contingent upon the Commission assessing fees during the 2026-2027 biennium  
8 sufficient to generate revenue to cover the general revenue appropriations. The Commission amends the  
9 annual fees required by coal mining permittees in subsection (b).

10           The Texas State Legislature appropriated the applicable funds in Senate Bill 1 based on fees  
11 collected as set forth in Rider 5, including fees appropriated for both the coal mining program and a  
12 separate, existing program for uranium exploration permitting. The uranium program cost is subtracted  
13 from the total annual appropriation to determine the cost of the coal regulatory program. The  
14 Commission's coal mining regulatory program is partially funded with a 50 percent cost reimbursement  
15 grant from the United States Department of the Interior, Office of Surface Mining Reclamation and  
16 Enforcement. The remaining 50 percent is funded by the fees collected in §12.108.

17           The Commission received no comments on the proposal.

18           The Commission amends the fees set forth in subsection (b) by splitting the annual fee for each  
19 acre of land within a permit area covered by a reclamation bond on December 31st of each year, currently  
20 at \$12.85, into two fees. The Commission amends paragraph (1) to remain at the current fee amount of  
21 \$12.85 for each bonded acre of land that has met the Phase I reclamation release requirements of  
22 §12.313(a)(1) of this title (relating to Criteria and Schedule for Release of Performance Bond) based on  
23 the number of bonded acres of land identified by the applicant as meeting the requirements of  
24 §12.313(a)(1), as shown on the map required by §12.142(2)(C) of this title (relating to Operation Plan:  
25 Maps and Plans) and approved by the Commission. The Commission amends paragraph (2) to include a  
26 fee of \$29.80 for the bonded acres of land that have not met the Phase I reclamation release requirements  
27 of §12.313(a)(1) based on the number of bonded acres of land identified by the applicant as not meeting  
28 the requirements of §12.313(a)(1), as shown on the map required by §12.142(2)(C) and approved by the  
29 Commission. The annual permit fee in re-numbered paragraph (3) remains at the current amount of  
30 \$6,170 per permit. The Commission anticipates that annual fees in these new amounts will result in  
31 revenue of \$4,650,102, for the coal regulatory program in each year of the 2026-2027 biennium.

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1 The Commission adopts the amendments under Texas Natural Resources Code §134.011,  
2 §134.013, and §134.055, which authorize the Commission to promulgate rules pertaining to surface coal  
3 mining operations.

4 Statutory Authority: Texas Natural Resources Code §134.011, §134.013 and §134.055.

5 Cross-reference to statute: Texas Natural Resources Code §134.011, §134.013 and §134.055.

6  
7 §12.108. Permit Fees.

8 (a) Application Fees. Each application for a surface coal mining and reclamation permit or  
9 renewal or revision of a permit shall be accompanied by a fee. The initial application fee and the  
10 application fee for renewal of a permit may be paid in equal annual installments during the term of the  
11 permit. The fee schedule is as follows:

12 (1) application for a permit: \$5,000.

13 (2) application for revision of a permit: \$500.

14 (3) application for renewal of a permit: \$3,000.

15 (b) Annual Fees. In addition to application fees required by this section, each permittee shall pay  
16 to the Commission the following annual fees due and payable not later than March 15th of the year  
17 following the calendar year for which these fees are applicable:

18 (1) a fee of \$12.85 for each acre of land within a permit area covered by a reclamation  
19 bond that has met the requirements of §12.313(a)(1) of this chapter (relating to Criteria and Schedule for  
20 Release of Performance Bond) on December 31st of the year, based on the number of bonded acres of  
21 land identified by the applicant as meeting the requirements of §12.313(a)(1) of this chapter on the map  
22 included in the permit as required by §12.142(2)(C) of this chapter (relating to Operation Plan: Maps and  
23 Plans) and approved by the Commission;

24 (2) a fee of \$29.80 for each acre of land within a permit area covered by a reclamation  
25 bond that has not met the requirements of §12.313(a)(1) of this chapter on December 31st of the year,  
26 based on the number of acres of land identified by the applicant as not meeting the requirements of  
27 §12.313(a)(1) on the map included in the permit as required by §12.142(2)(C) of this chapter and  
28 approved by the Commission; and

29 (3) ~~{(2)}~~ a fee of \$6,170 for each permit in effect on December 31st of the year.

30 (c) Fees paid to the Commission under this section shall be deposited in the state treasury and  
31 credited to the general revenue fund.

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This agency hereby certifies that the rules as adopted have been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on 8/19/2025, 2025.

Filed with the Office of the Secretary of State on 8/19/2025, 2025.

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*Jim Wright*

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Jim Wright, Chairman

DocuSigned by:

*Christi Craddick*

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Christi Craddick, Commissioner

DocuSigned by:

*Wayne Christian*

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Wayne Christian, Commissioner

ATTEST: Signed by:

*Callie Farrar*

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Secretary of the Commission

DocuSigned by:

*Natalie Dubiel*

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Natalie Dubiel

Assistant General Counsel  
Office of General Counsel  
Railroad Commission of Texas