

81st Texas Legislative Session Overview

On June 1, 2009, the Texas Legislature adjourned Sine Die. Below is a recap of legislation important to the oil and gas industry that was monitored by the Permian Basin Petroleum Association.

Legislation that passed and was sent to the Governor:

HB 8 – by Otto. Comptroller reviews of appraisal districts.

HB 469 – by King. Establishment of incentives by this state for the implementation of certain projects to capture and sequester carbon dioxide that would otherwise be emitted into the atmosphere.

HB 472 – by Hilderbran. Relating to the effect and implementation of the law regarding reporting by a common carrier pipeline owner or operator of contamination.

HB 1796 – by Chisum, et al. Relating to the offshore geologic storage of carbon dioxide.

HB 1883 – by Farabee. Relating to the status of certain transporters of natural or synthetic gas and liquefied natural gas marine terminals as gas utilities.

HB 1923 – by Heflin. Relating to the Irion County Water Conservation District.

HB 2259 – by Crownover. Relating to the plugging of inactive oil or gas wells.

HB 2333 – by Geren. Relating to the lease of certain oil, gas, or mineral land by a municipality.

HB 2572 – by Gonzalez Toureilles. Authority of the RRC to determine whether certain transporters of natural and synthetic gas are gas utilities.

HB 3346 – By Farabee. Relating to the definition of a gas utility.

HB 3461 by Orr. Relating to the powers and duties of the School Land Board and the Commissioner of the General Land office.

HB 4433 – by Rodriguez. Exemption from oil and gas severance taxes for oil and gas produced in association with the production of geothermal energy.

SB 184 – by Watson. Relating to "no regrets" greenhouse gas emissions reduction strategies.

SB 686 – by Davis. Relating to the installation, maintenance, or operation of natural gas pipelines on state highways and highway and county road rights-of-way.

SB 940 – by Wentworth. Provides additional detail regarding the handling of complaints and investigations by the Texas Board of Professional Geoscientists ("Board").

SB 997 – by Duncan. Administration of and exemptions from the gas production tax. (Extends the deadline for reports to the Comptroller).

SB 1387 – by Seliger. Relating to the injection of geologic storage of anthropogenic carbon dioxide.

SB 1589 – by Ogden. Relating to the reporting of unclaimed property. (Includes “abandoned” mineral proceeds).

SB 1658 – by Averitt. Relating to the increase in the fee for natural gas pipeline safety inspections. Raises the fee from fifty cents to one dollar. Fees fund Pipeline Safety Division at the RRC.

SB 2534 – by Wentworth. Relating to the creation of an interagency task force on economic growth and endangered species; providing information and direction regarding endangered species issues in certain areas of the state.

Legislation That Did Not Pass

HB 177 – by Creighton. Relating to testing requirements for certain commercial injection wells.

HB 178 – by Creighton. Relating to limitations on the location of injection wells.

HB 179 – by Creighton. Relating to the application of new requirements for commercial underground injection control wells to be adopted by the Texas Commission on Environment Quality.

HB 395 – by Hartnett. Relating to the state’s goal for installed electric generating capacity from natural gas.

HB 499 – by Orr. Relating to changing the name of the Railroad Commission of Texas to the Texas Energy Commission.

HB 569 – by Miller, Sid. Relating to the notice of an application for a permit to dispose of oil and gas waste in a commercial disposal well.

HB 834 – by Miller, Sid. Relating to reporting ownership of mineral interests severed from the surface estate and the vesting of title by judicial proceeding of certain abandoned mineral interests.

HB 1210 - by Strama. Relating to the oil production tax rate reduction for oil recovered through certain enhanced oil recovery projects.

HB 1231 – by Farabee. Relating to providing that the Railroad Commission of Texas be governed by a single Railroad Commission. HJR 62 added that the Commission’s name be changed to the Texas Energy Commission.

HB 1405 – by Geren. Relating to the licensing and regulation of landmen by the Texas Real Estate Commission.

HB 1420 – by Orr. Relating to the regulation by the Railroad Commission of Texas of the transportation of drilling mud.

HB 1526 by Crownover. Relating to the authority of a common purchaser that transports natural gas by pipeline to use a public right-of-way for a pipeline.

HB 1533 – by Burnam. Relating to notice of and action on applications for permits to drill certain gas wells.

HB 1535 – by Burnam. Relating to the requirement that gas corporations obtain a permit from the Railroad Commission of Texas before condemning property to construct certain gas pipelines.

HB 1537 – by Burnam/Truitt. Relating to safety requirements applicable to gas pipelines in certain counties.

HB 1538 – by Burnam. Relating to the authority of certain municipalities or counties to adopt and enforce safety standards applicable to certain pipelines.

HB 1566 – by England. Relating to the authority of municipalities to regulate natural gas compressor station structures.

HB 1890 – by Creighton/Eissler. Relating to notification of applications for permits for certain injection wells.

HB 2087 – by Homer. Relating to the state’s statutory and contractual liens to secure the payment of unpaid royalty and other amounts due under oil and gas leases of state land.

HB 2254 – by Hancock. Relating to the authority of a local government to prohibit the Railroad Commission of Texas or the Texas Commission on Environmental Quality from issuing a permit for a disposal well.

HB 2255 – by Hancock. Relating to restrictions on the release into the air of natural associated vapors from a gas well.

HB 2356 - by Crownover. Relating to the filing with the state of well logs by operators of oil-related or gas-related wells.

HB 2669 – by Crownover. Relating to the injection and geologic storage of anthropogenic carbon dioxide.

HB 2764 – by Truitt. Relating to license and examination eligibility requirements for closed system geothermal well drillers.

HB 2811 – by Hardcastle. Relating to the implementation of and incentives for projects involving the capture, transportation, injection, sequestration, geologic storage, or abatement of carbon dioxide.

HB 2853 - by Farabee. Relating to the amount and use of certain fees imposed in connection with oil and gas activities. Cuts Oil Field Cleanup Fund regulatory fees on oil and gas in half. Redirects certain other funds.

HB 2915 – by McReynolds. Relating to oil and gas operations in connection with certain state land.

HB 3332 – by Merritt. Relating to an exemption from the oil severance tax for oil produced from certain low-producing wells.

HB 3374 – by Deshotel. Relating to permits for air contaminant emissions of stationary natural gas engines.

HB 3346 – by Farabee. Relating to the definition of a gas utility. Determines that if a company uses the threat of eminent domain, the company should be determined a gas utility.

HB 3402 - by King, Phil. Relating to a restriction on the location of a well drilled for oil or gas.

HB 3403 - by King, Phil. Relating to the operation of certain commercial motor vehicles in certain residential subdivisions

HB 3404 – by King, Phil. Relating to fees imposed by certain counties on operators of gas wells and oil and gas waste disposal wells.

HB 3410 - by Chisum. Relating to costs incurred by certain persons in relation to complaints filed with the Railroad Commission of Texas against gas utilities.

HB 3644 - by Orr. Relating to fees imposed by certain counties on operators of gas wells and oil and gas waste disposal wells.

HB 3651 – by Merritt. Relating to the ineligibility of a railroad commissioner to become a candidate for another public office.

HB 3781 – by Shelton. Relating to the resolution of disputes pertaining to the urban drilling of certain oil or gas wells.

HB 3827 – by Hancock. Relating to the delivery of regulated substances into underground storage tanks.

HB 3899 - by Oliveira. Relating to the administration of and exemptions from the gas production tax

HB 4026 – by Christian. Relating to the application of new requirements for Class II injection wells to be adopted by the Railroad Commission of Texas

HB 4027 – by Christian. Relating to limitations on the location of Class II injection wells.

HB 4028 - by Christian. Relating to testing requirements for certain commercial injection wells.

HB 4042 – by Christian. Relating to county transportation access plans.

HB 4063 – by Gonzalez Toureilles. Relating to the periods for applying for and receiving designation of a well as a two-year inactive well for purposes of the oil and gas severance tax exemption.

HB 4246 – by Keffer. Relating to the reporting of lost or unaccounted gas by the first purchaser and the tax due by the first purchaser on lost or unaccounted for gas.

HB 4247 - by Keffer. Relating to the use of the proceeds of cash deposits filed with the Railroad Commission of Texas by certain persons under the jurisdiction of the commission and deposited in the oil-field cleanup fund.

HB 4654 – by Chisum. Relating to the authority of a county or municipality to regulate the drilling of oil and gas wells.

HB 4300 – by Herrero. Relating to safety rules for certain pipeline facilities and public awareness.

HCR 67 – by Farabee. Urges the United States Congress to maintain state regulatory coverage of hydraulic fracturing.

HCR 183 – by Farabee. Urging Congress to reject provisions of President Barack Obama's budget that would eliminate certain deductions presently available to the oil and natural gas exploration industry.

HJR 140 – by Strama. Dedicating certain royalties from oil production on permanent university fund lands to create an endowment within the fund to support research and development in alternative energy, renewable energy and energy conservation.

SB 16 – by Averitt. Relating to the enhancement of air quality, including the capture of carbon dioxide and development of a greenhouse gas registry, emissions reduction technologies, and the improvement of energy efficiency.

SB 341 – by Wentworth. Relating to changing the name of the Railroad Commission of Texas to the Texas Energy Commission.

SB 540 – by Estes. Relating to notice of an application for a permit to dispose of oil and gas waste in a disposal well.

SB 555 – by Duncan. Relating to indemnification provisions in construction contracts.

SB 656 - by Fraser. Relating to notice of an application for a permit to dispose of oil and gas waste in a commercial disposal well.

SB 752 - by Davis, Wendy. Relating to the authority of a local government to prohibit the Railroad Commission of Texas or the Texas Commission on Environmental Quality from issuing a permit for a disposal well.

SB 902 – by Davis. Relating to the restrictions on the release into the air of natural gas associated vapors from a gas well. Applies to Barnett Shale counties only. Requires gas well operators to use a separator and a sand shaker to divert gas to a sales line as soon as possible.

SB 949 – by Estes. Relating to the ad valorem tax situs of certain portable drilling rigs and associated equipment.

SB 997 – by Duncan. Relating to the administration of and exemptions from the gas production tax. SB 997 amends the Tax Code to ensure that the due dates for the gas production tax and the producer’s report submitted to the comptroller of public accounts coincide.

SB 1123 – by Duncan. Regarding mesothelioma standard of causation.

SB 1378 – by Duncan. Relating to the plugging of inactive wells.

SB 1154 – by Davis, Wendy. Relating to the licensing and regulation of landmen by the Texas Real Estate Commission.

SB 1823 – by Seliger. Relating to the state's statutory and contractual liens to secure the payment of unpaid royalty and other amounts due under oil and gas leases of state land.

SB 1908 - by Hinojosa. Relating to safety and financial responsibility in the operating of oil and gas wells.

SB 2111 – by Averitt. Relating to the implementation of and incentives for projects involving the capture, transportation, injection, sequestration, geologic storage, or abatement of carbon dioxide.

SB 2170 – by Seliger. Relating to the amount and use of certain fees imposed in connection with oil and gas activities. Cuts Oil Field Cleanup Fund regulatory fees on oil and gas in half. Redirects certain other funds.

SB 2402 - by Davis, Wendy. Relating to the authority of certain counties to regulate the exploration for and development and production of natural gas; providing a penalty.

SB 2432 – by Davis, Wendy. Relating to the application to political subdivisions of this state of the law governing pooling of mineral interests.

SB 2433 – by Davis, Wendy. Relating to condemnation of municipal property for and municipal regulation of pipeline operations

SB 2557 – by Uresti. Relating to the appraisal for ad valorem tax purposes of a real property interest in oil or gas in place. Repealing Section 23.175 of the Tax Code. Compromise language failed to adopt.