

AN ACT

relating to pipeline safety fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 121, Utilities Code, is amended by adding Section 121.211 to read as follows:

Sec. 121.211. PIPELINE SAFETY FEES. (a) The railroad commission by rule may adopt an inspection fee to be assessed annually against operators of natural gas distribution pipelines and their pipeline facilities and natural gas master metered pipelines and their pipeline facilities subject to this chapter.

(b) The railroad commission by rule shall establish the method by which the fee will be calculated and assessed. In adopting a fee structure, the railroad commission may consider any factors necessary to provide for the equitable allocation among operators of the costs of administering the railroad commission's pipeline safety program under this chapter.

(c) The total amount of fees estimated to be collected under rules adopted by the railroad commission under this section may not exceed the amount estimated by the railroad commission to be necessary to recover the costs of administering the railroad commission's pipeline safety program under this chapter, excluding costs that are fully funded by federal sources.

(d) The commission may assess each investor-owned and each municipally owned natural gas distribution system subject to this

1 chapter an annual inspection fee not to exceed 50 cents for each
2 service line reported by the system on the Distribution Annual
3 Report, Form RSPA F7100.1-1, due on March 15 of each year. The fee
4 is due March 15 of each year.

5 (e) The commission may assess each operator of a natural gas
6 master metered system subject to this chapter an annual inspection
7 fee not to exceed \$100 for each master metered system. The fee is
8 due June 30 of each year.

9 (f) The commission may assess a late payment penalty of 10
10 percent of the total assessment due under Subsection (d) or (e) that
11 is not paid within 30 days after the annual due date established by
12 the applicable subsection.

13 (g) Each investor-owned and municipally owned natural gas
14 distribution company and each natural gas master meter operator
15 shall recover as a surcharge to its existing rates the amounts paid
16 to the commission under this section. Amounts collected under this
17 subsection by an investor-owned natural gas distribution company
18 shall not be included in the revenue or gross receipts of the
19 company for the purpose of calculating municipal franchise fees or
20 any tax imposed under Subchapter B, Chapter 182, Tax Code, or under
21 Chapter 122. Those amounts are not subject to a sales and use tax
22 imposed by Chapter 151, Tax Code, or Chapters 321 through 327, Tax
23 Code.

24 (h) A fee collected under this section shall be deposited to
25 the credit of the general revenue fund to be used for the pipeline
26 safety program.

27 SECTION 2. This Act takes effect September 1, 2003.

H.B. No. 1194

President of the Senate

Speaker of the House

I certify that H.B. No. 1194 was passed by the House on May 2, 2003, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 1194 was passed by the Senate on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor