

1-1 By: West (Senate Sponsor - Armbrister) H.B. No. 1194  
1-2 (In the Senate - Received from the House May 5, 2003;  
1-3 May 7, 2003, read first time and referred to Committee on Natural  
1-4 Resources; May 22, 2003, reported favorably by the following vote:  
1-5 Yeas 10, Nays 0; May 22, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to pipeline safety fees.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Subchapter E, Chapter 121, Utilities Code, is  
1-11 amended by adding Section 121.211 to read as follows:

1-12 Sec. 121.211. PIPELINE SAFETY FEES. (a) The railroad  
1-13 commission by rule may adopt an inspection fee to be assessed  
1-14 annually against operators of natural gas distribution pipelines  
1-15 and their pipeline facilities and natural gas master metered  
1-16 pipelines and their pipeline facilities subject to this chapter.

1-17 (b) The railroad commission by rule shall establish the  
1-18 method by which the fee will be calculated and assessed. In  
1-19 adopting a fee structure, the railroad commission may consider any  
1-20 factors necessary to provide for the equitable allocation among  
1-21 operators of the costs of administering the railroad commission's  
1-22 pipeline safety program under this chapter.

1-23 (c) The total amount of fees estimated to be collected under  
1-24 rules adopted by the railroad commission under this section may not  
1-25 exceed the amount estimated by the railroad commission to be  
1-26 necessary to recover the costs of administering the railroad  
1-27 commission's pipeline safety program under this chapter, excluding  
1-28 costs that are fully funded by federal sources.

1-29 (d) The commission may assess each investor-owned and each  
1-30 municipally owned natural gas distribution system subject to this  
1-31 chapter an annual inspection fee not to exceed 50 cents for each  
1-32 service line reported by the system on the Distribution Annual  
1-33 Report, Form RSPA F7100.1-1, due on March 15 of each year. The fee  
1-34 is due March 15 of each year.

1-35 (e) The commission may assess each operator of a natural gas  
1-36 master metered system subject to this chapter an annual inspection  
1-37 fee not to exceed \$100 for each master metered system. The fee is  
1-38 due June 30 of each year.

1-39 (f) The commission may assess a late payment penalty of 10  
1-40 percent of the total assessment due under Subsection (d) or (e) that  
1-41 is not paid within 30 days after the annual due date established by  
1-42 the applicable subsection.

1-43 (g) Each investor-owned and municipally owned natural gas  
1-44 distribution company and each natural gas master meter operator  
1-45 shall recover as a surcharge to its existing rates the amounts paid  
1-46 to the commission under this section. Amounts collected under this  
1-47 subsection by an investor-owned natural gas distribution company  
1-48 shall not be included in the revenue or gross receipts of the  
1-49 company for the purpose of calculating municipal franchise fees or  
1-50 any tax imposed under Subchapter B, Chapter 182, Tax Code, or under  
1-51 Chapter 122. Those amounts are not subject to a sales and use tax  
1-52 imposed by Chapter 151, Tax Code, or Chapters 321 through 327, Tax  
1-53 Code.

1-54 (h) A fee collected under this section shall be deposited to  
1-55 the credit of the general revenue fund to be used for the pipeline  
1-56 safety program.

1-57 SECTION 2. This Act takes effect September 1, 2003.

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