

## **BILL ANALYSIS**

C.S.H.B. 1526  
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Energy Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Texas Department of Transportation has recently begun demanding that operators of certain natural gas pipelines remove their facilities if those pipelines are located longitudinally along highway rights-of-way. At the same time, many urban and suburban residents living in the Barnett Shale area in and near Fort Worth have expressed a strong preference to see pipelines located in public rights-of-way, including state highways. This change in policy places an additional burden on private property owners throughout the state.

C.S.H.B. 1526 establishes that a common purchaser that transports natural gas by pipeline has the right to lay, maintain, and operate a pipeline over, under, across, and along a public road under certain conditions. The bill authorizes the Texas Department of Transportation to require an owner or operator of a natural gas pipeline to relocate the pipeline at the expense of the owner or operator, or at the expense of the state, under certain conditions.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1526 amends the Natural Resources Code to establish that a common purchaser that transports natural gas by pipeline has the right to lay, maintain, and operate a pipeline over, under, across, and along a public road as provided by provisions relating to common carriers, public utilities, and common purchasers. The bill establishes that a common purchaser has such right only if the pipeline complies with all safety regulations adopted by the Railroad Commission of Texas relating to pipeline facilities and all applicable state and county regulations regarding the placement of a pipeline facility on a right-of-way, including a regulation on the horizontal or vertical placement of the pipeline, and if the common purchaser ensures that the public road and any associated facility is promptly restored to its former condition of usefulness after the installation or maintenance of the pipeline.

C.S.H.B. 1526 authorizes the Texas Department of Transportation, notwithstanding provisions relating to reimbursement for relocation of utility facilities, to require the owner or operator of a natural gas pipeline to relocate the pipeline at the expense of the owner or operator of the pipeline, if the pipeline is located on a right-of-way of the state highway system, or at the expense of the state, if the pipeline is located on property in which the owner or operator of the pipeline has a private interest.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 1526 removes a provision from the original establishing that a common purchaser has the right to lay and maintain a pipeline over, under, across, and along a municipal street or alley. The substitute removes a provision from the original authorizing a common purchaser to exercise certain authority in relation to a municipal street or alley only with the consent of and subject to the direction of the governing body of the municipality.

C.S.H.B. 1526 adds a provision not in the original establishing that a common purchaser has the right to operate, as well as lay and maintain, a pipeline over, under, across, and along a public road as provided by provisions relating to common carriers, public utilities, and common purchasers. The substitute adds provisions not in the original establishing that a common purchaser has such right only if the pipeline complies with certain regulations and the common purchaser ensures that the public road and any associated facility is promptly restored to its former condition of usefulness after the installation or maintenance of the pipeline. The substitute adds provisions not in the original establishing such regulations.

C.S.H.B. 1526 adds provisions not in the original authorizing the Texas Department of Transportation to require the owner or operator of a natural gas pipeline to relocate the pipeline at the expense of the owner or operator, or at the expense of the state, under certain conditions.

C.S.H.B. 1526 differs from the original by providing for immediate effect contingent on the bill's receiving the necessary two-thirds vote in each house or a September 1, 2009, effective date, whereas the original provides for a September 1, 2009, effective date.