

BILL ANALYSIS

C.S.H.B. 1533
By: Burnam
Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to the Railroad Commission of Texas, over 700 gas well permits were approved in 2008 for Tarrant County. As natural gas drilling becomes more prevalent in urban areas in Tarrant County and around the Barnett Shale, residents face many new problems concerning property rights, mineral rights, safety risks, environmental hazards, and pipeline routing.

C.S.H.B. 1533 gives elected officials the information they need to assist their constituents with these problems by requiring the commission to provide notification to certain elected officials upon receipt of applications for permits to drill a gas well in Tarrant County and in other counties with a population of more than 50,000 that are located wholly or partly above a hydrocarbon-producing geological formation in which during the preceding year the commission issued more than 1,500 gas well drilling permits.

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. 1533 amends the Natural Resources Code to require the Railroad Commission of Texas, on receipt of the first application for a permit to drill a gas well at a drill site, to provide notice of the application by first class mail and, on request, electronically, to the state senator and representative who represent the area in which the well is proposed to be located and to the following, as applicable: if the well is proposed to be located outside the corporate limits or extraterritorial jurisdiction of a municipality, the member of the commissioners court who represents the county commissioner precinct in which the well is proposed to be located and the county judge of the county in which the well is proposed to be located; if the well is proposed to be located in the corporate limits of a municipality, each member of the governing body of the municipality who represents the area in which the well is proposed to be located; or, if the well is proposed to be located in the extraterritorial jurisdiction of a municipality, each member of the governing body of the municipality.

C.S.H.B. 1533 establishes that the commission is not required to provide such notice if the person has waived in writing the right to notice. The bill makes its provisions applicable only to a gas well proposed to be located in a county that has a population of more than 50,000 and is located wholly or partly above a hydrocarbon-producing geological formation in which during the preceding year the commission issued more than 1,500 drilling permits authorizing wells to be completed.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1533 differs from the original by changing a heading. The substitute differs in applicability from the original by decreasing the minimum population and minimum number of drilling permits for a county to which its provisions apply.

C.S.H.B. 1533 adds a provision not in the original, specifying that its provisions apply to the first application for a permit to drill, whereas the original does not specify this. The substitute differs from the original by removing language requiring the Railroad Commission of Texas to provide a copy of the application together with the notice. The substitute specifies that the permit applies to drilling a gas well at a drill site, whereas the original does not specify that the gas well is at a drill site. The substitute adds a provision not in the original, requiring the commission to additionally provide notice electronically, if requested. The substitute differs from the original by requiring notice to be sent to the state senator and representative of the area in which the well is proposed to be located, rather than of the general area, as in the original.

C.S.H.B. 1533 differs from the original by requiring an application for a permit to drill a gas well along with the notice of the application to be mailed to the member of the commissioners court who represents the county commissioner precinct in which the well is proposed to be located, rather than to each member of the commissioners court in the county in which the well is proposed to be located, and by adding the county judge of the county in which the well is proposed to be located to the recipients of the application and notice. The substitute establishes two separate notice requirements for wells that are proposed for locations inside the corporate limits of a municipality and wells that are proposed for locations in the extraterritorial jurisdiction of a municipality, whereas the original provides one requirement for both situations.

C.S.H.B. 1533 removes a provision in the original relating to a waiting period after mailing of the notice and before issuing a permit. The substitute adds a provision not in the original relating to a person waiving the right to notice.