

AN ACT

relating to the inspection of certain information regarding the production, transportation, sale, and marketing of oil and gas from state land; imposing an administrative penalty.

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

SECTION 1. Section 52.135, Natural Resources Code, is amended by adding Subsections (a-1), (a-2), (a-3), (e), and (f) and amending Subsection (c) to read as follows:

(a-1) Not later than the 60th day after the date of receipt of a request from the commissioner, the attorney general, or the governor for information described by Subsection (a), a lessee shall produce the requested information.

(a-2) A lessee who is unable to produce requested information in the time required by Subsection (a-1) must, not later than the 30th day after the date of receipt of a request for the information, reply in writing to the requestor and state the reason for the inability to provide the information in the time required and when the information will be available. A requestor who receives a reply under this subsection may extend the deadline for the production of the requested information by written response to the lessee. If the requestor does not extend the deadline, the lessee shall produce the information not later than the later of:

(1) the fifth day after the date of receipt of a written response from the requestor rejecting the extension; or

1 (2) the 60th day after the date of receipt of the
2 original request.

3 (a-3) A lessee who withholds requested information on a good
4 faith legal basis must, not later than the 60th day after the date
5 of receipt of a request for the information, provide the requestor
6 with a detailed explanation of the basis for withholding the
7 information.

8 (c) A [The] lessee shall have 30 days from the date of the
9 receipt of an [such] audit billing notice under Subsection (b) or a
10 notice of a penalty assessment under Subsection (e) in which to pay
11 the [such] audit deficiency assessment or penalty or to request a
12 hearing before the commissioner or the commissioner's [his]
13 representative for redetermination of the [such] assessment or to
14 challenge the assessment of the penalty. A statement of grounds
15 setting out in detail the lessee's reasons for disagreement with
16 the [such] assessment or penalty and the factual and legal grounds
17 on which the claim is based must be submitted by a lessee with its
18 request for a hearing. The [Such] hearing shall be conducted in
19 accordance with the rules and procedures established by the
20 commissioner.

21 (e) Except as provided by Subsection (f), the commissioner
22 may assess an administrative penalty against a lessee who fails to
23 produce requested information in the time required under Subsection
24 (a-1) or (a-2) by intentionally withholding information to which
25 the land office is legally entitled. The penalty may not exceed:

26 (1) \$100 a day for each day after the deadline for
27 producing the information that the lessee fails to produce the

1 information until the 60th day after the deadline; and

2 (2) \$1,000 a day for each day after the 60th day after
3 the deadline for producing the information that the lessee fails to
4 produce the information.

5 (f) The commissioner may not assess a penalty against a
6 lessee who withholds information under Subsection (a-3) until the
7 commissioner determines that the requestor is entitled to the
8 information.

9 SECTION 2. Section 52.135, Natural Resources Code, as
10 amended by this Act, applies only to a request for information made
11 under that section on or after the effective date of this Act. A
12 request for information made under that section before the
13 effective date of this Act is governed by the law in effect on the
14 date of the request, and the former law is continued in effect for
15 that purpose.

16 SECTION 3. This Act takes effect September 1, 2013.

H.B. No. 2571

President of the Senate

Speaker of the House

I certify that H.B. No. 2571 was passed by the House on April 26, 2013, by the following vote: Yeas 141, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2571 was passed by the Senate on May 15, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor