

1-1 By: Keffer (Senate Sponsor - Fraser) H.B. No. 2571  
 1-2 (In the Senate - Received from the House April 29, 2013;  
 1-3 May 2, 2013, read first time and referred to Committee on Natural  
 1-4 Resources; May 8, 2013, reported favorably by the following vote:  
 1-5 Yeas 10, Nays 0; May 8, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the inspection of certain information regarding the  
 1-22 production, transportation, sale, and marketing of oil and gas from  
 1-23 state land; imposing an administrative penalty.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 52.135, Natural Resources Code, is  
 1-26 amended by adding Subsections (a-1), (a-2), (a-3), (e), and (f) and  
 1-27 amending Subsection (c) to read as follows:

1-28 (a-1) Not later than the 60th day after the date of receipt  
 1-29 of a request from the commissioner, the attorney general, or the  
 1-30 governor for information described by Subsection (a), a lessee  
 1-31 shall produce the requested information.

1-32 (a-2) A lessee who is unable to produce requested  
 1-33 information in the time required by Subsection (a-1) must, not  
 1-34 later than the 30th day after the date of receipt of a request for  
 1-35 the information, reply in writing to the requestor and state the  
 1-36 reason for the inability to provide the information in the time  
 1-37 required and when the information will be available. A requestor  
 1-38 who receives a reply under this subsection may extend the deadline  
 1-39 for the production of the requested information by written response  
 1-40 to the lessee. If the requestor does not extend the deadline, the  
 1-41 lessee shall produce the information not later than the later of:

1-42 (1) the fifth day after the date of receipt of a  
 1-43 written response from the requestor rejecting the extension; or

1-44 (2) the 60th day after the date of receipt of the  
 1-45 original request.

1-46 (a-3) A lessee who withholds requested information on a good  
 1-47 faith legal basis must, not later than the 60th day after the date  
 1-48 of receipt of a request for the information, provide the requestor  
 1-49 with a detailed explanation of the basis for withholding the  
 1-50 information.

1-51 (c) A [The] lessee shall have 30 days from the date of the  
 1-52 receipt of an [such] audit billing notice under Subsection (b) or a  
 1-53 notice of a penalty assessment under Subsection (e) in which to pay  
 1-54 the [such] audit deficiency assessment or penalty or to request a  
 1-55 hearing before the commissioner or the commissioner's [his]  
 1-56 representative for redetermination of the [such] assessment or to  
 1-57 challenge the assessment of the penalty. A statement of grounds  
 1-58 setting out in detail the lessee's reasons for disagreement with  
 1-59 the [such] assessment or penalty and the factual and legal grounds  
 1-60 on which the claim is based must be submitted by a lessee with its  
 1-61 request for a hearing. The [Such] hearing shall be conducted in

2-1 accordance with the rules and procedures established by the  
2-2 commissioner.

2-3 (e) Except as provided by Subsection (f), the commissioner  
2-4 may assess an administrative penalty against a lessee who fails to  
2-5 produce requested information in the time required under Subsection  
2-6 (a-1) or (a-2) by intentionally withholding information to which  
2-7 the land office is legally entitled. The penalty may not exceed:

2-8 (1) \$100 a day for each day after the deadline for  
2-9 producing the information that the lessee fails to produce the  
2-10 information until the 60th day after the deadline; and

2-11 (2) \$1,000 a day for each day after the 60th day after  
2-12 the deadline for producing the information that the lessee fails to  
2-13 produce the information.

2-14 (f) The commissioner may not assess a penalty against a  
2-15 lessee who withholds information under Subsection (a-3) until the  
2-16 commissioner determines that the requestor is entitled to the  
2-17 information.

2-18 SECTION 2. Section 52.135, Natural Resources Code, as  
2-19 amended by this Act, applies only to a request for information made  
2-20 under that section on or after the effective date of this Act. A  
2-21 request for information made under that section before the  
2-22 effective date of this Act is governed by the law in effect on the  
2-23 date of the request, and the former law is continued in effect for  
2-24 that purpose.

2-25 SECTION 3. This Act takes effect September 1, 2013.

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