

By: Burnam

H.B. No. 3595

A BILL TO BE ENTITLED

AN ACT

relating to imposing a fee on water used in the performance of a hydraulic fracturing treatment on an oil or gas well.

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

SECTION 1. The heading to Subchapter S, Chapter 91, Natural Resources Code, is amended to read as follows:

SUBCHAPTER S. REGULATION OF [~~DISCLOSURE OF COMPOSITION OF~~]
HYDRAULIC FRACTURING [~~FLUIDS~~]

SECTION 2. Subchapter S, Chapter 91, Natural Resources Code, is amended by adding Section 91.852 to read as follows:

Sec. 91.852. FEE FOR USE OF WATER IN HYDRAULIC FRACTURING TREATMENT. (a) The commission shall charge and collect from each operator of a well on which a hydraulic fracturing treatment is performed a fee on the total volume of water used in the performance of the hydraulic fracturing treatment as reported to the commission under Section 91.851(a)(1)(B).

(b) The rate of the fee is 20 cents for each 1,000 gallons of water used in the performance of the hydraulic fracturing treatment.

(c) The revenue from the fee shall be deposited to the credit of the water infrastructure fund.

SECTION 3. Section 91.852, Natural Resources Code, as added by this Act, applies only to a hydraulic fracturing treatment performed on or after the date the initial rules adopted by the

1 Railroad Commission of Texas to implement that section take effect.
2 A hydraulic fracturing treatment performed before the date the
3 initial rules take effect is governed by the law as it existed
4 immediately before the effective date of this Act, and that law is
5 continued in effect for that purpose.

6 SECTION 4. The Railroad Commission of Texas shall adopt
7 rules to implement Section 91.852, Natural Resources Code, as added
8 by this Act, not later than December 1, 2013.

9 SECTION 5. This Act takes effect September 1, 2013.