

AN ACT

relating to the manner in which a payor of proceeds derived from the sale of oil or gas production is required to provide certain information to a royalty interest owner.

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

SECTION 1. Sections 91.501 and 91.506, Natural Resources Code, are amended to read as follows:

Sec. 91.501. INFORMATION REQUIRED. If payment is made to a royalty interest owner from the proceeds derived from the sale of oil or gas production pursuant to a division order, lease, servitude, or other agreement, the payor shall include the information required by Section 91.502 on the check stub, an attachment to the payment form, or another remittance advice that accompanies the payment.

Sec. 91.506. EXEMPTION. (a) Except as provided by Subsection (b), if ~~[If]~~ the information required by Section 91.502 is provided in some other manner on a monthly basis, the payor is not required to include the information on the check stub, an attachment to the payment form, or another ~~[other]~~ remittance advice that accompanies the payment.

(b) If payment is made to the royalty interest owner by a paper check delivered by mail or by means of a private delivery service, the payor may not provide the information required by Section 91.502 in a manner other than by including the information

1 on the check stub, an attachment to the payment form, or another
2 remittance advice that accompanies the payment unless the payor
3 obtains, or a previous payor has obtained, the consent of the
4 royalty interest owner to provide the information in some other
5 manner.

6 SECTION 2. The change in law made by this Act applies only
7 to a payment made on or after the effective date of this Act to a
8 royalty interest owner from the proceeds derived from the sale of
9 oil or gas production. A payment made before the effective date of
10 this Act to a royalty interest owner from the proceeds derived from
11 the sale of oil or gas production is governed by the law in effect on
12 the date the payment is made, and the former law is continued in
13 effect for that purpose.

14 SECTION 3. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 129 was passed by the House on May 9, 2017, by the following vote: Yeas 147, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 129 on May 20, 2017, by the following vote: Yeas 133, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 129 was passed by the Senate, with amendments, on May 19, 2017, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor