

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Craddick

H.B. No. 129

A BILL TO BE ENTITLED

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 written consent of  
4 the 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.

ADOPTED

MAY 19 2017

*Leroy Spaw*  
Secretary of the Senate

By: Craddick/Kraig Estes

H.B. No. 129

Substitute the following for H.B. No. 129:

By: Kraig Estes

C.S. H.B. No. 129

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3 sale of oil or gas production is required to provide certain  
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16 Subsection (b), if [~~if~~] the information required by Section 91.502  
17 is provided in some other manner on a monthly basis, the payor is  
18 not required to include the information on the check stub, an  
19 attachment to the payment form, or another [~~other~~] remittance  
20 advice that accompanies the payment.

21 (b) If payment is made to the royalty interest owner by a  
22 paper check delivered by mail or by means of a private delivery  
23 service, the payor may not provide the information required by  
24 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.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 19, 2017**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB129** by Craddick (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.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Natural Resources Code to require the payor of oil and gas royalty payments by a paper check to obtain the consent of a royalty interest owner to provide certain required information. Based on the analysis of the Railroad Commission and the Comptroller of Public Accounts, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 455 Railroad Commission

**LBB Staff:** UP, SD, SZ, PBO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 17, 2017**

**TO:** Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB129** by Craddick (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.), **Committee Report 2nd House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Natural Resources Code to require the payor of oil and gas royalty payments by a paper check to obtain the consent of a royalty interest owner to provide certain required information. Based on the analysis of the Railroad Commission and the Comptroller of Public Accounts, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 455 Railroad Commission

**LBB Staff:** UP, SZ, PBO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 12, 2017**

**TO:** Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB129** by Craddick (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.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Natural Resources Code to require the payor of oil and gas royalty payments by a paper check to obtain the written consent of a royalty interest owner to provide certain required information. Based on the analysis of the Railroad Commission and the Comptroller of Public Accounts, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 455 Railroad Commission

**LBB Staff:** UP, SZ, PBO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 11, 2017**

**TO:** Honorable Drew Darby, Chair, House Committee on Energy Resources

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB129** by Craddick (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.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 455 Railroad Commission

**LBB Staff:** UP, SZ, PBO



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 29, 2017**

**TO:** Honorable Drew Darby, Chair, House Committee on Energy Resources

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB129** by Craddick (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.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Natural Resources Code to require the payor of oil and gas royalties to obtain the written consent of a royalty interest owner before omitting certain information from the payment remittance. Based on the analysis of the Railroad Commission and the Comptroller of Public Accounts, duties and responsibilities associated with implementing the provisions of the bill could be accomplished with existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 455 Railroad Commission

**LBB Staff:** UP, SZ, MW, PBO