A BILL TO BE ENTITLED

AN ACT

relating to the regulation of aggregate production operations by
the Railroad Commission of Texas; authorizing a fee; providing
administrative penalties and other civil remedies; creating
criminal offenses.

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

SECTION 1. Title 4, Natural Resources Code, is amended by
adding Chapter 135 to read as follows:

CHAPTER 135. AGGREGATE PRODUCTION OPERATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 135.0001. DEFINITIONS. In this chapter:

(1) "Aggregate production operation" means an
extraction operation at an aggregate production operation site
described by Section 28A.001(1), Water Code.

(2) "Commission" means the Railroad Commission of
Texas.

SUBCHAPTER B. POWERS AND DUTIES OF COMMISSION

Sec. 135.0051. GENERAL AUTHORITY OF COMMISSION. To
accomplish the purposes of this chapter, the commission may:

(1) adopt, amend, and enforce rules pertaining to
aggregate production operations consistent with this chapter;

(2) issue permits under this chapter;

(3) conduct hearings under this chapter and Chapter
2001, Government Code;
(4) issue orders requiring a person to take actions necessary to comply with this chapter or rules adopted under this chapter;

(5) issue orders modifying previous orders;

(6) issue a final order revoking the permit of a person who has not complied with a commission order to take action required by this chapter or rules adopted under this chapter;

(7) hire employees, adopt standards for employment, and hire or authorize the hiring of outside contractors to assist in carrying out this chapter;

(8) accept, receive, and administer grants, gifts, loans, or other money made available from any source for the purposes of this chapter; and

(9) perform any other duty or act required by or provided for in this chapter.

Sec. 135.0052. MONITORING, REPORTING, AND INSPECTIONS. (a) The commission may:

(1) require monitoring and reporting;

(2) enter and inspect aggregate production operations; and

(3) take other actions necessary to administer, enforce, or evaluate the administration of this chapter.

(b) For purposes of this section, the commission or its authorized representative:

(1) without advance notice and on presentation of appropriate credentials, has the right to enter:

(A) an aggregate production operation; or
premises on which records required to be
maintained are located; and
(2) at reasonable times and without delay, may have
access to and copy records required under this chapter or rules
adopted under this chapter or inspect any monitoring equipment or
method of operation required under this chapter or rules adopted
under this chapter.

Sec. 135.0053. COORDINATION BETWEEN AGENCIES. (a) To
avoid duplication, the commission shall establish a process for
coordinating the review and issuance of permits under this chapter
for aggregate production operations with the review and issuance of
any other federal or state authorizations required for the proposed
operations.

(b) In cooperation with the appropriate units of local
government and other state agencies, the commission shall
coordinate and streamline procedures under this chapter to the
extent possible.

(c) The commission may enter into a memorandum of
understanding with the Texas Commission on Environmental Quality,
the Texas Department of Transportation, or another state agency to
implement and administer this chapter or other state law applicable
to aggregate production operations.

SUBCHAPTER C. PERMIT

Sec. 135.0101. PERMIT REQUIRED. A person may not conduct an
aggregate production operation in this state without first
obtaining a permit for that operation from the commission under
this chapter.
Sec. 135.0102. CONTENTS OF PERMIT APPLICATION. A permit application must be submitted in a manner satisfactory to the commission and must contain:

(1) the name and address of:

(A) the applicant;

(B) each owner of record of the property from which aggregates are to be produced;

(C) each holder of record of any leasehold interest in the property;

(D) the purchaser of record of the property under a real estate contract;

(E) the operator if the operator is not the applicant;

(F) the principals, officers, and resident agent of a person described by Paragraph (A), (B), (C), (D), or (E) if the person is a business entity other than a sole proprietor; and

(G) the owners of record of the property adjoining the permit area;

(2) additional information about ownership and management of the applicant or operator if required by commission rule;

(3) a copy of the notice required by Section 135.0106;

(4) a description of:

(A) the type and method of the existing or proposed aggregate production operation;

(B) the engineering techniques proposed or in use; and
(C) the equipment in use or proposed to be used;

(5) the anticipated or actual starting and termination
dates of each phase of the aggregate production operation and
number of acres of land to be affected;

(6) an accurate map or plan, to an appropriate scale,
clearly showing:

(A) the land to be affected as of the date of the
application; and

(B) the area of land in the permit area on which
the applicant has the right to enter and begin aggregate production
operations;

(7) the documents on which the applicant bases the
applicant's right to enter and begin aggregate production
operations on the affected area, including documentation of any
required permit, license, safety certificate, registration, or
other authorization issued by a federal agency, the Texas
Commission on Environmental Quality, another state agency, or a
political subdivision;

(8) a statement of whether the applicant's right to
enter and begin aggregate production operations on the affected
area is the subject of pending court litigation;

(9) a plan for constructing acceleration and
deceleration lanes for egress from and ingress to the aggregate
production operation to protect public safety;

(10) a description of the types of property
surrounding the permit area and potential impacts of the aggregate
production operation on any residents of the surrounding area;
(11) the distance of the permit area from the closest residential area;
(12) a description of the potential impacts of the aggregate production operation on the local economy near the permit area; and
(13) other data and maps the commission requires by rule.

Sec. 135.0103. ADDITIONAL PERMIT APPLICATION CONTENTS; HYDROLOGY ASSESSMENT. (a) In addition to the content required under Section 135.0102, a permit application must contain:

(1) the name of the watershed and location of the surface streams or tributaries into which surface and pit drainage will be discharged;
(2) a determination of the probable hydrologic consequences of the aggregate production operation, if any, both on and off the site, with respect to the hydrologic regime and the quantity and quality of water in surface-water systems and groundwater systems, including the dissolved and suspended solids under seasonal flow conditions; and
(3) sufficient data on the site and surrounding area for the commission to assess the probable cumulative impacts of all anticipated aggregate production operations in the area on the hydrology of the area, particularly on water availability.

(b) An applicant may submit the information and determination required to be included with a permit application under Subsection (a) separately from the other components of the application if information on the hydrology of the area is not
available from the appropriate state agencies or political subdivisions at the time the other components are submitted. A permit may not be approved until the information and determination required to be included with a permit application under Subsection (a) have been submitted to the commission.

(c) After receiving a complete permit application, the commission, in collaboration with the Texas Commission on Environmental Quality and any political subdivisions with relevant jurisdiction, shall:

(1) assess the applicant’s hydrologic determination made under Subsection (a)(2);

(2) assess the probable cumulative impact that all anticipated aggregate production operations in the area will have on the hydrologic balance, using the information provided by the applicant under this section and any other information; and

(3) determine whether the operation proposed in the application has been designed to prevent material damage to the hydrologic balance outside the permit area.

Sec. 135.0104. APPLICATION FEES. (a) An application for an aggregate production operation permit or for revision of a permit must be accompanied by an application fee determined by the commission in accordance with a published fee schedule. The commission shall base the application fee as nearly as possible on the actual or anticipated cost of reviewing the application.

(b) The application fee may not be less than:

(1) $5,000 for an initial permit; or

(2) $500 for revision of a permit.
Sec. 135.0105. PUBLIC INSPECTION OF APPLICATION. (a) An applicant for an aggregate production operation permit shall file a copy of the application for public inspection with the county clerk of the county in which the production is proposed to occur.

(b) Copies of any records, reports, inspection materials, or information obtained under this chapter by the commission shall be made immediately available to the public at central and sufficient locations in the area of aggregate production so that they are conveniently available to residents in that area.

Sec. 135.0106. PUBLIC NOTICE BY APPLICANT. At the time the applicant submits a complete application for an aggregate production operation permit, the applicant shall publish an advertisement in a newspaper of general circulation in the locality of the proposed aggregate production operation at least once a week for four consecutive weeks that:

(1) shows the ownership and describes the location and boundaries of the proposed site sufficiently so that the proposed operation can be readily located; and

(2) states that the application is available for public inspection at the county courthouse of the county in which the property lies.

Sec. 135.0107. NOTIFICATION OF POLITICAL SUBDIVISIONS. (a) The commission shall send notice of a permit application to planning agencies, sewage and water treatment authorities, special districts with jurisdiction over water, municipalities, and any other political subdivisions with relevant jurisdiction in the locality of the proposed site.
(b) The notice must indicate the application number and the county courthouse in which a copy of the application can be inspected.

(c) To facilitate the commission's evaluation of the permit application content required under Section 135.0102(7), the commission shall include with the notice a request for the recipient of the notice to provide to the commission in a timely manner information on any authorizations or other documents that the applicant is required to obtain from the recipient before beginning the aggregate production operation.

Sec. 135.0108. COMMENTS ON LOCAL EFFECTS; OBJECTIONS. (a) During a period established by the commission, a federal or state agency, a political subdivision, or any other affected person may submit to the commission written comments on the potential effects of the proposed aggregate production operation on the environment or economy of the locality of the operation.

(b) Not later than the 30th day after the date of the last publication of notice under Section 135.0106, a federal or state agency, a political subdivision, or any other affected person may submit to the commission written objections to the proposed aggregate production operation.

(c) The commission shall:

(1) immediately send the comments and objections to the applicant; and

(2) make the comments and objections available to the public at the same location as the aggregate production operation permit application.
Sec. 135.0109. REQUEST FOR PUBLIC HEARING; NOTICE. (a) Not later than the 45th day after the date of the last publication of notice under Section 135.0106, the applicant or an affected person may request a hearing on the application. The hearing shall be held not later than the 30th day after the date the commission receives the request.

(b) The commission shall publish notice of the date, time, and location of the public hearing in a local newspaper of general circulation in the locality of the proposed aggregate production operation at least once a week for three consecutive weeks before the scheduled hearing date.

Sec. 135.0110. PROCEDURE. Chapter 2001, Government Code, applies to a permit application under this chapter. Notice of hearing and appeal is governed by that chapter, except as provided by Section 135.0109.

Sec. 135.0111. NOTICE OF APPROVAL OR DENIAL. (a) The commission shall notify the applicant and each person who submitted an objection under Section 135.0108 that the permit application has been approved or denied:

(1) within the time provided by Chapter 2001, Government Code, if a public hearing is held under Section 135.0109; or

(2) not later than the 45th day after the date of the last publication of notice of application if a public hearing is not held.

(b) The notice provided to the applicant under this section must be written.
Sec. 135.0112. PERMIT APPROVAL OR DENIAL. (a) On the basis of a complete application for an aggregate production operation permit or a revision of a permit, as required by this chapter, the commission shall approve, require modification of, or deny a permit application.

(b) An applicant for a permit or a permit revision has the burden of establishing that the application complies with this chapter.

(c) Not later than the 10th day after the date the commission issues a permit, the commission shall notify the county judge in each county in which the land to be affected is located that a permit has been issued and shall describe the location of the land.

(d) The commission may deny a permit based on:

(1) a violation by the applicant of a provision of this chapter or a commission rule adopted under this chapter;

(2) a finding by another state agency that the applicant has violated a law or rule administered by that agency related to the proposed aggregate production operation;

(3) the failure of the applicant to obtain an authorization or document that the applicant is required to obtain from a federal or state agency or a political subdivision before beginning the aggregate production operation;

(4) a determination made under Section 135.0103(c) that the operation has not been designed to prevent material damage to the hydrologic balance outside the permit area;

(5) a comment or objection submitted under Section 11.
Sec. 135.0113. WRITTEN FINDINGS REQUIRED. The commission may not approve an application for a permit or a permit revision unless it finds, in writing, using the information in the application or information otherwise available that will be documented in the approval and made available to the applicant, that:

(1) the application is accurate and complete and complies with this chapter; and

(2) the commission has determined under Section 135.0103(c) that the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area.

Sec. 135.0114. PERMIT REVISIONS. (a) The commission by rule shall require that a permit holder:

(1) notify the commission of any significant changes in a condition that the commission evaluated as part of the permit application process that occur after the permit was issued; and

(2) apply for a permit revision if the commission determines a revision is appropriate.

(b) The rules must require that, except for incidental boundary changes, a permit revision that involves extending the aggregate production operation beyond the boundaries authorized in the permit meet all standards applicable to a new permit application under this chapter.
Sec. 135.0115. WAIVER FOR CERTAIN OPERATIONS. (a) Except as provided by Subsection (b), the requirements of this chapter are waived for an aggregate production operation that, on August 31, 2019:

(1) is registered with the Texas Commission on Environmental Quality under Chapter 28A, Water Code; and

(2) has all permits, licenses, safety certificates, registrations, or other authorizations required by law for the operation of an aggregate production operation, including permits issued by the Texas Commission on Environmental Quality under Chapter 382, Health and Safety Code.

(b) The commission by rule shall require that a person operating an aggregate production operation described by Subsection (a):

(1) notify the commission of any significant changes in a condition that would have been evaluated as part of a permit application process if the operation had been required to obtain a permit under this chapter; and

(2) obtain a permit under this chapter if the commission determines that it is appropriate to require a permit.

(c) The commission, in consultation with the Texas Commission on Environmental Quality, shall publish a list of aggregate production operations that qualify for a waiver under this section and update the publication as necessary to provide information on permits issued under Subsection (b).

SUBCHAPTER D. ENFORCEMENT

Sec. 135.0151. CIVIL OR ADMINISTRATIVE ENFORCEMENT.
Subchapter H, Chapter 134, applies to the civil or administrative enforcement of this chapter or a rule, order, or permit adopted or issued under this chapter in the same manner as that subchapter applies to the civil or administrative enforcement of that chapter or a rule, order, or permit adopted or issued under that chapter.

Sec. 135.0152. CRIMINAL PENALTY FOR WILFUL AND KNOWING VIOLATION. (a) A person commits an offense if the person wilfully and knowingly violates a condition of a permit issued under this chapter or does not comply with an order issued under this chapter, except an order incorporated in a decision issued by the commission under Section 134.175, as applicable under Section 135.0151. 

(b) An offense under this section is punishable by:

1. a fine of not more than $10,000;
2. imprisonment for not more than one year; or
3. both the fine and the imprisonment.

Sec. 135.0153. CRIMINAL PENALTY FOR FALSE STATEMENT, REPRESENTATION, OR CERTIFICATION. (a) A person commits an offense if the person knowingly makes a false statement, representation, or certification, or knowingly fails to make a statement, representation, or certification, in an application, record, report, or other document filed or required to be maintained under this chapter or under an order of decision issued by the commission under this chapter.

(b) An offense under this section is punishable by:

1. a fine of not more than $10,000;
2. imprisonment for not more than one year; or
3. both the fine and the imprisonment.
SECTION 2. This Act takes effect September 1, 2019.