

AN ACT

relating to the treatment and recycling for beneficial use of certain waste arising out of or incidental to the drilling for or production of oil or gas.

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

SECTION 1. Section 122.002, Natural Resources Code, is amended to read as follows:

Sec. 122.002. OWNERSHIP OF FLUID OIL AND GAS WASTE TRANSFERRED FOR TREATMENT AND SUBSEQUENT BENEFICIAL USE. Unless otherwise expressly provided by an oil or gas lease, a surface use agreement, a contract, a bill of sale, or another ~~[other]~~ legally binding document:

(1) when fluid oil and gas waste is produced and used by or transferred to a person who takes possession of that waste for the purpose of treating the waste for a subsequent beneficial use, the waste ~~[transferred material]~~ is considered to be the property of the person who takes possession of it for the purpose of treating the waste for subsequent beneficial use until the person transfers the waste or treated waste to another person for disposal or use; and

(2) when a person who takes possession of fluid oil and gas waste for the purpose of treating the waste for a subsequent beneficial use transfers possession of the treated product or any treatment byproduct to another person for the purpose of subsequent

1 disposal or beneficial use, the transferred product or byproduct is
2 considered to be the property of the person to whom the material is
3 transferred.

4 SECTION 2. This Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I certify that H.B. No. 3246 was passed by the House on April 16, 2019, by the following vote: Yeas 137, Nays 1, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3246 was passed by the Senate on May 10, 2019, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor