

1-1 By: Birdwell S.B. No. 1259  
 1-2 (In the Senate - Filed March 9, 2021; March 18, 2021, read  
 1-3 first time and referred to Committee on Natural Resources &  
 1-4 Economic Development; April 23, 2021, reported adversely, with  
 1-5 favorable Committee Substitute by the following vote: Yeas 9,  
 1-6 Nays 0; April 23, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1259 By: Birdwell

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to causes of action for withholding payments of the  
 1-22 proceeds from the sale of oil and gas production.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 91.402, Natural Resources Code, is  
 1-25 amended by adding Subsection (b-1) to read as follows:

1-26 (b-1) A payee does not have a common law cause of action for  
 1-27 breach of contract against a payor for withholding royalty payments  
 1-28 under Subsection (b) unless, for a dispute concerning the title,  
 1-29 the contract requiring payment specifies otherwise.

1-30 SECTION 2. The change in law made by this Act applies only  
 1-31 to an action filed on or after the effective date of this Act. An  
 1-32 action filed before the effective date of this Act is governed by  
 1-33 the law applicable to the action immediately before the effective  
 1-34 date of this Act, and that law is continued in effect for that  
 1-35 purpose.

1-36 SECTION 3. This Act takes effect immediately if it receives  
 1-37 a vote of two-thirds of all the members elected to each house, as  
 1-38 provided by Section 39, Article III, Texas Constitution. If this  
 1-39 Act does not receive the vote necessary for immediate effect, this  
 1-40 Act takes effect September 1, 2021.

1-41 \* \* \* \* \*