

BILL ANALYSIS

Senate Research Center
88R24775 JAM-F

C.S.S.B. 2107
By: Nichols
Natural Resources & Economic Development
4/24/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Energy and manufacturing industries across Texas and the world are undertaking to store carbon dioxide as part of their industrial process in making products that we all use every day. Texas law and policy must be updated to accommodate industry's ability to permanently store carbon. Twelve other states have already passed legislation to facilitate carbon storage. Texas is behind these states in the development of this emerging industry, which analysts estimate to be a multi-trillion dollar industry that also provides additional revenue opportunities for landowners. Texas is uniquely positioned to participate in this industry because of its wealth of expertise in well-drilling and reservoir modeling, ideal geology onshore and offshore to store carbon dioxide, and diverse industrial base that produces carbon dioxide. S.B. 2107 would bring Texas into a lead position to utilize this innovative technology in attracting jobs and investment to the Lone Star State. S.B. 2107 amends current law to define pore space ownership, address long-term responsibility of carbon storage projects, and address the process of acquiring land for a carbon storage project.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 2107 amends current law relating to the ownership of the pore space underlying the surface of land.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 5, Property Code, by adding Subchapter H, as follows:

SUBCHAPTER H. OWNERSHIP OF PORE SPACE

Sec. 5.251. DEFINITION. Defines "pore space" as the geologic structures beneath the surface of land, including voids and cavities, to be used for the storage of carbon dioxide.

Sec. 5.252. OWNERSHIP OF PORE SPACE UNDERLYING THE SURFACE. (a) Provides that the ownership of pore space, unless expressly modified, reserved, or altered by a deed, conveyance, lease, or contract, is vested in the owner or owners of the surface estate of the land.

(b) Provides that this section does not modify common law existing on the effective date of this section as it relates to the relationship between the mineral and surface estates.

SECTION 2. Effective date: upon passage or September 1, 2023.