

A BILL TO BE ENTITLED

AN ACT

relating to the ownership of the geothermal energy and associated resources below the surface of land.

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

SECTION 1. Section 141.003(5), Natural Resources Code, is amended to read as follows:

(5) "By-product" means any other element found in a geothermal formation which is brought to the surface, whether or not it is used in geothermal heat or pressure inducing energy generation. The term does not include:

(A) a mineral, as defined by Section 75.001, Property Code; or

(B) oil, gas, or a product of oil or gas, as defined by Section 85.001.

SECTION 2. Subchapter A, Chapter 141, Natural Resources Code, is amended by adding Section 141.004 to read as follows:

Sec. 141.004. OWNERSHIP OF GEOTHERMAL ENERGY AND ASSOCIATED RESOURCES. (a) Except as otherwise expressly provided by a conveyance, contract, deed, reservation, exception, limitation, lease, or other binding obligation, the geothermal energy and associated resources below the surface of land are owned as real property by:

(1) the landowner; or

(2) if the surface estate and the mineral estate of the

1 land have been severed, the owner of the surface estate of the land.

2 (b) Subject to the provisions of this chapter, the property
3 rights described by this section entitle the owner of the
4 geothermal energy and associated resources below the surface of
5 land and the owner's lessee, heir, or assignee to drill for and
6 produce the geothermal energy and associated resources.

7 (c) This section does not:

8 (1) apply to minerals dissolved or otherwise contained
9 in groundwater, including in hot brines;

10 (2) change existing law regarding oil, gas, or mineral
11 extraction regardless of its heat or energy potential; or

12 (3) change existing law regarding the rights of the
13 dominant and servient estates.

14 SECTION 3. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2023.