

## **BILL ANALYSIS**

Senate Research Center

H.B. 106  
By: King (Schwertner)  
Business & Commerce  
5/14/2025  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Investigations into the destructive wildfires that occurred in the Texas Panhandle in 2024, including the Smokehouse Creek Fire, found that aging and poorly maintained electrical infrastructure near oil and gas well sites contributed to extensive damage and loss in the region, and pose an ongoing risk of ignition, especially during dry, high-wind conditions.

The inspection and maintenance of overhead electrical power lines associated with oil and gas development and production is essential to protecting Texas land, homes, and businesses. However, current law lacks well-defined and consistent electrical safety standards for this infrastructure, particularly in remote production areas. As a result, responsibility and regulatory obligations are often unclear.

H.B. 106 would require operators of oil and gas wells to maintain overhead electrical distribution lines they own or operate and that are associated with oil and gas development and production, in accordance with rules adopted by the Railroad Commission of Texas (RRC). The bill also directs the RRC to assess penalties against operators found in violation of these rules.

H.B. 106 amends current law relating to the maintenance of overhead electrical power lines associated with oil and gas development and production and authorizes an administrative penalty.

### **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 Subchapter B, Chapter 91, Natural Resources Code, by adding Section 91.0195, as follows:

Sec. 91.0195. MAINTENANCE OF OVERHEAD ELECTRICAL POWER LINES. (a) Requires an operator of a well drilled for oil or gas to maintain in accordance with rules adopted by the Railroad Commission of Texas (RRC) an overhead electrical distribution system line that is owned or controlled by the operator and associated with operations incident to oil and gas development and production.

(b) Requires RRC, if RRC determines that an operator has violated a rule adopted under this section on land included in an oil and gas lease or connected to an oil and gas lease, to assess a penalty against the operator in the manner provided by Sections 81.0532 (Penalty Assessment Procedure) through 81.0534 (Recovery of Penalty) for assessing an administrative penalty under Section 81.0531 (Administrative Penalty).

(c) Requires that a penalty collected under this section be deposited to the credit of the oil and gas regulation and cleanup fund as provided by Section 81.067 (Oil and Gas Regulation and Cleanup Fund).

SECTION 2. Amends Section 81.067(c), Natural Resources Code, to provide that the oil and gas regulation and cleanup fund consists of certain monies, including money collected under Section 91.0195, and to make nonsubstantive changes.

SECTION 3. Effective date: September 1, 2025.