

BILL ANALYSIS

C.S.H.B. 106
By: King
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In its report to the legislature, the Investigative Committee on the Panhandle Wildfires noted that wildfires started by power lines have been among the most destructive fires in the panhandle region over the last several decades. One of the specific issues cited by the committee is a lack of regulation that permits irresponsible oil and gas operators to neglect dangerous electrical safety problems on and around well site locations, where exposed or dilapidated electrical equipment make for ready ignition sources. C.S.H.B. 106 seeks to address this issue by requiring an operator of a well drilled for oil or gas to maintain 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.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 106 amends the Natural Resources Code to require 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. The bill authorizes the RRC, if it determines that an operator has violated a rule adopted under the bill's provisions, to assess a penalty against the operator in the manner provided by statutory provisions governing the RRC's penalty assessment procedure, the payment and refund of a penalty, and the recovery of a penalty as those provisions relate to the RRC's assessment of administrative penalties.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 106 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The introduced required an operator of a well drilled for oil or gas to maintain in accordance with RRC rules all land and infrastructure that is associated with operations incident to oil and gas development production and that is located between a wellhead and a highway, whereas the substitute requires such an operator to maintain in accordance with RRC rules 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.