

## **BILL ANALYSIS**

Senate Research Center  
89R21457 ANG-D

H.B. 206  
By: Craddick (Birdwell)  
Natural Resources  
5/2/2025  
Engrossed

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

In recent years, some counties have begun imposing cash bond requirements as a condition of approval for the construction of pipelines. This can place undue financial burdens on pipeline developers and lead to regulatory uncertainty, especially on larger projects that cross multiple counties. H.B. 206 will prohibit counties from requiring cash bonds as a condition of approval for the construction of pipelines while still ensuring counties are able to recover damages through alternative forms of financial assurances, such as performance bonds. Further, pipeline companies that prefer to use cash bonds would still have the option to do so voluntarily.

H.B. 206 amends current law relating to a limitation on a county's authority to require a cash bond before approving the construction of a pipeline.

### **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 Z, Chapter 240, Local Government Code, by adding Section 240.911, as follows:

Sec. 240.911. BOND FOR PIPELINE CONSTRUCTION. Prohibits a county from requiring a cash bond as a condition of approval for the construction of a pipeline in the county's boundaries.

SECTION 2. Makes application of Section 240.911, Local Government Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2025.