

**BILL ANALYSIS**

C.S.H.B. 206  
By: Craddick  
Energy Resources  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Texas is a leading energy producer. According to the Texas Economic Development and Tourism Office, Texas is the top producer of both crude oil and natural gas in the United States, with nearly 480,000 miles of pipelines running throughout the state, and is home to one-fourth of the country's proved natural gas reserves. These pipelines can be critical for the safe transportation of oil, natural gas, and other resources. However, the bill author has informed the committee that some counties have begun to require cash bonds as a condition of approval for pipeline construction in those counties. These requirements can place an undue financial burden on pipeline developers and create regulatory uncertainty, potentially delaying infrastructure projects that are vital to the state's economy. C.S.H.B. 206 seeks to address these concerns by prohibiting counties from requiring a cash bond as a condition of approval for pipeline construction.

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

**ANALYSIS**

C.S.H.B. 206 amends the Local Government Code to prohibit a county from requiring a cash bond as a condition of approval for the construction of a pipeline in the county's boundaries. The bill applies only to an application for approval to construct a pipeline filed with a county on or after the bill's effective date.

**EFFECTIVE DATE**

September 1, 2025.

**COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 206 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.

Both the introduced and the substitute prohibit a county from requiring a cash bond as a condition of approval for the construction of a pipeline in the county's boundaries. However, the

substitute omits the provisions from the introduced that did the following with respect to this prohibition:

- exempted a county that grants the person proposing the construction of the pipeline the right to approve or deny the use of the bond proceeds from the prohibition; and
- entitled such a person to a full refund of the cash bond if the person denies the use of the bond proceeds.