

BILL ANALYSIS

H.B. 1971
By: Darby
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

S.B. 786, Acts of the 88th Legislature, Regular Session, 2023, transferred regulatory authority over closed-loop geothermal injection wells from the Texas Commission on Environmental Quality to the Railroad Commission of Texas (RRC), but the bill did not clarify whether a landowner would be required to submit an organization report or pay associated fees to the RRC that are currently required of other applicable entities. The bill author has informed the committee that these wells, typically used by landowners for heating and cooling via ground source heat pumps, are drilled by licensed water well drillers and resemble water wells more than hydrocarbon-producing wells and that while the senate bill intended only to shift oversight without altering the substance of the program regulating closed-loop injection wells, applying standard RRC requirements could impose new and unintended burdens on landowners, contrary to the bill's legislative intent. H.B. 1971 seeks to address this issue by providing an exemption from certain requirements for drillers or operators of closed-loop geothermal injection wells.

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

H.B. 1971 amends the Water Code to exempt a person who submits a request for authorization or is authorized to use a valid permit by rule issued by the Railroad Commission of Texas (RRC) for a closed-loop geothermal injection well from statutory provisions that require the submission of drilling permit fees to, and the filing of an organization report with, the RRC. The bill applies to a permit application or materially amended permit application that is filed with the RRC on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2025.