

BILL ANALYSIS

Senate Research Center

H.B. 2890
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Natural Resources
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to the website of the Comptroller of Public Accounts of the State of Texas, the liquefied natural gas (LNG) industry in Texas is a significant component of the state's energy sector and, due to the state's location and export capabilities, the LNG industry in Texas accounted for 31 percent of U.S. LNG exports in 2023. However, in January 2024, then-President Joe Biden placed a temporary pause on LNG exports to non-free trade agreement countries, which effectively banned new authorization of LNG exports to all but 18 countries. The bill's author has informed the committee that the pause on LNG exports prompted discussions on how to safeguard the industry from federal restrictions. Additionally, the House Select Committee on Protecting Texas LNG Exports proposed the formation of an interstate compact among Gulf Coast states with LNG infrastructure to coordinate policies and protect the LNG industry from outside factors, such as future executive office holders. H.B. 2890 seeks to establish this interstate compact by requiring the governor to develop and execute an interstate compact for the LNG industry among states that border the Gulf of America for the purpose of regional cooperation with states sharing a vested interest in LNG production and exports.

H.B. 2890 amends current law relating to an interstate compact for the liquefied natural gas industry.

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 Title 7, Government Code, by adding Chapter 760, as follows:

CHAPTER 760. GULF STATES LIQUEFIED NATURAL GAS INDUSTRY COMPACT

Sec. 760.001. **AUTHORITY TO DEVELOP AND EXECUTE COMPACT.** Authorizes the governor, on behalf of this state, to develop and execute an interstate compact for the liquefied natural gas industry among states that border the Gulf of America.

Sec. 760.002. **CONGRESSIONAL APPROVAL NOT REQUIRED.** (a) Provides that it is the intent of the legislature that the compact developed and executed under this chapter not require congressional approval.

(b) Prohibits the compact from increasing the political power of the compacting states in relation to the federal government.

Sec. 760.003. **INTERSTATE COMPACT PROVISIONS.** Requires that the compact authorized by this chapter provide for joint action among compacting states on matters that include sharing information, resources, and services to protect and grow the liquefied natural gas industry along the gulf coast and improve coordination to increase the overall effectiveness and efficiency of the liquefied natural gas industry along the gulf coast.

SECTION 2. Effective date: upon passage or September 1, 2025.