

**BILL ANALYSIS**

H.B. 2890  
By: Patterson  
Energy Resources  
Committee Report (Unamended)

**BACKGROUND AND PURPOSE**

According to the website of the comptroller of public accounts, 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.

**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. 2890 amends the Government Code to require the governor, on the state's behalf, to develop and execute an interstate compact for the liquefied natural gas industry among states that border the Gulf of America. The bill establishes that it is the legislature's intent that the compact not require congressional approval and prohibits the compact from increasing the political power of the compacting states in relation to the federal government. The bill requires the compact to 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 to improve coordination to increase the overall effectiveness and efficiency of that industry along the gulf coast.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.