

AN ACT

relating to the treatment and beneficial use of fluid oil and gas waste and related material, including a limitation on liability for that treatment or use.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 122.003, Natural Resources Code, is amended to read as follows:

Sec. 122.003. RESPONSIBILITY IN TORT. (a) Except as provided by Subsections ~~[Subsection]~~ (b) and (b-1), a person, including an owner of the surface estate of real property, who takes possession of fluid oil and gas waste for treatment, produces from that waste [a] treated waste ~~[product generally considered in the oil and gas industry to be suitable for use in connection with the drilling for or production of oil or gas]~~, and either puts the treated waste to a beneficial use or transfers the treated waste ~~[product]~~ to another person with the contractual understanding that the treated waste ~~[product]~~ will be put to a beneficial use ~~[used in connection with the drilling for or production of oil or gas]~~ is not liable in tort for a consequence of the subsequent use of that treated waste ~~[product]~~ by any ~~[the person to whom the treated product is transferred or by another]~~ person.

(a-1) Except as provided by Subsections (b) and (b-1), a person, including an owner of the surface estate of real property, who produces fluid oil and gas waste or who supplies or conveys

fluid oil and gas waste to a treatment facility for the purpose of generating treated waste is not liable in tort for:

(1) a consequence of the subsequent treatment of that fluid oil and gas waste to generate treated waste;

(2) the subsequent use of that treated waste by any person; or

(3) exposure to any component of the waste or any byproduct of the process used to generate treated waste.

(a-2) An owner of the surface estate of real property on or under which fluid oil and gas waste is produced, conveyed, transported, or treated by others is not liable in an action for damages for personal injury, death, or property damage arising from exposure to fluid oil and gas waste, treated waste, or a byproduct of a process used to generate treated waste.

(b) This section does not affect the liability of a person ~~[that treats fluid oil and gas waste for beneficial use]~~ in an action brought by a claimant ~~[person]~~ for damages for personal injury, death, or property damage arising from exposure to fluid oil and gas waste, treated waste, or a byproduct of a process used to generate treated waste if that exposure occurred as a result of the person's:

(1) gross negligence or intentional, wrongful act or omission; or

(2) negligence and the person did not treat, generate, use, or dispose of the fluid oil and gas waste, treated waste, or byproduct in conformity with:

(A) rules adopted under Section [122.004](#);

1 (B) a Texas Pollutant Discharge Elimination
2 System program permit issued by the Texas Commission on
3 Environmental Quality under Section 26.027 or 26.131, Water Code;
4 or

5 (C) a permit issued by the commission for the
6 hauling or handling of fluid oil and gas waste, treated waste, or
7 byproduct [product].

8 (b-1) This section does not affect the liability under
9 common, statutory, regulatory, or other law of a producer or
10 subsequent transferee of fluid oil and gas waste to the owner of the
11 surface estate of real property, and any owner of an interest in the
12 surface estate of real property, on or under which fluid oil and gas
13 waste is produced, transported, or treated.

14 (c) A claimant awarded damages for a tort premised solely on
15 the person's negligence and regulatory nonconformity under
16 Subsection (b)(2) may not be awarded exemplary damages.

17 SECTION 2. Section 122.004(a), Natural Resources Code, is
18 amended to read as follows:

19 (a) The commission shall adopt rules to govern the treatment
20 and beneficial use of fluid oil and gas waste, treated waste, and
21 any byproduct of a process used to generate treated waste.

22 SECTION 3. Chapter 122, Natural Resources Code, as amended
23 by this Act, applies only to a cause of action that accrues on or
24 after the effective date of this Act. A cause of action that
25 accrues before the effective date of this Act is governed by the law
26 as it existed immediately before the effective date of this Act, and
27 that law is continued in effect for that purpose.

1 SECTION 4. This Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I certify that H.B. No. 49 was passed by the House on May 10, 2025, by the following vote: Yeas 109, Nays 21, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 49 was passed by the Senate on May 25, 2025, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____
Date

Governor