

By: LaHood

H.B. No. 3652

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a study by the Railroad Commission of Texas regarding
3 the creation of a strategic gas and petroleum product reserve in
4 this state.

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

6 SECTION 1. (a) In this Act:

7 (1) "Commission" means the Railroad Commission of
8 Texas.

9 (2) "Gas" means natural gas.

10 (3) "Petroleum product" means any product derived by
11 refining petroleum and intended to produce power by burning the
12 product.

13 (4) "Strategic fuel reserve" means a reserve of gas
14 and petroleum products for distribution in this state for the
15 purpose of reducing, in the event of a disaster or other critical
16 situation, the impact of disruptions in the supply of gas and
17 petroleum products.

18 (b) The commission shall conduct a study to determine:

19 (1) the feasibility of creating, operating, and
20 maintaining a strategic fuel reserve;

21 (2) each appropriate location for strategic fuel
22 reserve facilities;

23 (3) the appropriate role of each state or local entity
24 in operating or regulating the strategic fuel reserve;

1 (4) the necessary minimum capacity for the strategic
2 fuel reserve;

3 (5) the circumstances under which gas or petroleum
4 products maintained as part of the strategic fuel reserve should be
5 distributed; and

6 (6) the estimated cost to implement the strategic fuel
7 reserve, including:

8 (A) the costs, as applicable, of purchasing,
9 leasing, constructing, operating, and maintaining facilities
10 related to the strategic fuel reserve; and

11 (B) the costs and any financial benefit from
12 purchasing and selling oil and gas products as part of the strategic
13 fuel reserve.

14 (c) Not later than September 30, 2026, the commission shall
15 submit to the governor, the lieutenant governor, the speaker of the
16 house of representatives, and each member of the legislature a
17 report on the results of the study and any recommendations for
18 legislative or other action.

19 SECTION 2. This Act expires January 1, 2027.

20 SECTION 3. This Act takes effect September 1, 2025.