

By: Sparks

S.B. No. 2037

A BILL TO BE ENTITLED

AN ACT

relating to permit application review and contested case procedures for environmental permits involving a project to construct or modify a liquefied natural gas export terminal; authorizing a fee.

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

SECTION 1. Subchapter M, Chapter 5, Water Code, is amended by adding Section 5.559 to read as follows:

Sec. 5.559. PROCEDURES FOR PERMIT APPLICATION REVIEW AND CONTESTED CASES INVOLVING PROJECT TO CONSTRUCT OR MODIFY LIQUEFIED NATURAL GAS EXPORT TERMINAL. (a) This section applies only to a permit application filed with the commission for a project to construct or modify a liquefied natural gas export terminal.

(b) The commission by rule shall establish an expedited permit application review process for permit applications described by Subsection (a). Rules adopted under this subsection must require an applicant who elects the expedited permit application review process to pay an additional fee in an amount the commission determines is necessary to cover the costs of the expedited review.

(c) Not later than the 120th day after the close of the public comment period for a permit application described by Subsection (a), the executive director shall issue a written response to any relevant and material public comments received during the public comment period.

1 (d) Notwithstanding any other law, if a party requests a
2 contested case hearing involving a permit application described by
3 Subsection (a), the commission shall delegate to the State Office
4 of Administrative Hearings the responsibility to conduct the
5 contested case hearing. The provisions of Chapter 2001, Government
6 Code, and Section 2003.047 of that code apply to a contested case
7 hearing held under this subsection to the extent not inconsistent
8 with this section or rules adopted under this section.

9 (e) In a request for a contested case hearing under this
10 section, the party requesting the hearing must specify each reason
11 the party is an affected person as defined by Section 5.115(a). In
12 determining whether a party is an affected person, the
13 administrative law judge may only consider the reasons specified by
14 the party in the party's request for a contested case hearing.

15 (f) In a contested case under this section, an
16 administrative law judge shall hold a preliminary hearing for the
17 case not later than the 30th day after the date the commission
18 refers the case to the administrative law judge, provided that the
19 judge may grant one extension of the time, not to exceed 15 days, on
20 request of any party.

21 (g) The commission shall adopt rules as necessary to
22 implement this section.

23 (h) To the extent of a conflict between this section and
24 another law, this section controls.

25 SECTION 2. The change in law made by this Act applies only
26 to a permit application described by Section 5.559(a), Water Code,
27 as added by this Act, that is filed with the Texas Commission on

1 Environmental Quality on or after the effective date of this Act. A
2 permit application described by Section 5.559(a), Water Code, as
3 added by this Act, that is pending on the effective date of this Act
4 is governed by the law in effect at the time the application was
5 filed, and the former law is continued in effect for that purpose.

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