

1-1 By: Sparks S.B. No. 2037  
1-2 (In the Senate - Filed March 7, 2025; March 17, 2025, read  
1-3 first time and referred to Committee on Natural Resources;  
1-4 April 7, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 7, 2025,  
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Birdwell	X			
1-10	Zaffirini	X			
1-11	Alvarado	X			
1-12	Blanco	X			
1-13	Flores	X			
1-14	Hancock	X			
1-15	Hughes	X			
1-16	Parker	X			
1-17	Sparks	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 2037 By: Zaffirini

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to permit application review and contested case procedures  
1-22 for environmental permits involving a project to construct or  
1-23 modify a liquefied natural gas export terminal; authorizing a fee.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 5.555, Water Code, is amended by adding  
1-26 Subsection (a-1) to read as follows:

1-27 (a-1) With respect to a permit application filed with the  
1-28 commission for a project to construct or modify a liquefied natural  
1-29 gas export terminal or a renewal of that permit, the executive  
1-30 director shall provide each response required by Subsection (a) not  
1-31 later than the 120th day after the close of the public comment  
1-32 period.

1-33 SECTION 2. Subchapter M, Chapter 5, Water Code, is amended  
1-34 by adding Section 5.559 to read as follows:

1-35 Sec. 5.559. PROCEDURES FOR PERMIT APPLICATION REVIEW AND  
1-36 CONTESTED CASES INVOLVING PROJECT TO CONSTRUCT OR MODIFY LIQUEFIED  
1-37 NATURAL GAS EXPORT TERMINAL. (a) This section applies only to a  
1-38 permit application filed with the commission for a project to  
1-39 construct or modify a liquefied natural gas export terminal.

1-40 (b) The commission by rule shall establish an expedited  
1-41 permit application review process for permit applications  
1-42 described by Subsection (a). Rules adopted under this subsection  
1-43 must require an applicant who elects the expedited permit  
1-44 application review process to pay an additional fee in an amount the  
1-45 commission determines is necessary to cover the costs of the  
1-46 expedited review. The additional fee collected pursuant to this  
1-47 subsection shall be deposited to the credit of a special account in  
1-48 the general revenue fund and may be used only for the administration  
1-49 of the expedited permit application established under this  
1-50 subsection.

1-51 (c) In a request for a contested case hearing involving a  
1-52 permit application described by Subsection (a), the party  
1-53 requesting the hearing must specify each reason the party is an  
1-54 affected person as defined by Section 5.115(a). In determining  
1-55 whether a party is an affected person, the administrative law judge  
1-56 may only consider the reasons specified by:

1-57 (1) the party in the party's request for a contested  
1-58 case hearing; and

1-59 (2) the permit applicant in a response submitted under  
1-60 Subsection (d) regarding why the requesting party should or should

not be considered an affected party.

(d) A permit applicant shall submit any response described by Subsection (c)(2) not later than:

(1) the 20th day after the date the commission refers the case to the State Office of Administrative Hearings; or

(2) a later date authorized by the administrative law judge.

(e) In a contested case involving a permit application described by Subsection (a), an administrative law judge shall set a date for the preliminary hearing not later than the 30th day after the date the commission refers the case to the State Office of Administrative Hearings.

(f) The commission shall adopt rules as necessary to implement this section.

SECTION 3. Section 382.056, Health and Safety Code, is amended by adding Subsection (l-1) and amending Subsection (n) to read as follows:

(l-1) With respect to a permit application filed with the commission under Section 382.0518 for a project to construct or modify a liquefied natural gas export terminal or a renewal review of that permit under Section 382.055, the executive director shall provide each response required by Subsection (l) not later than the 120th day after the close of the public comment period.

(n) Except as provided by Section 382.0561, the commission shall consider a request that the commission reconsider the executive director's decision or hold a contested case [public] hearing in accordance with the procedures provided by Sections 5.556 and 5.557, Water Code.

SECTION 4. The change in law made by this Act applies only to a permit application for a project to construct or modify a liquefied natural gas export terminal or a renewal of that permit that is filed with the Texas Commission on Environmental Quality on or after the effective date of this Act. A permit application for a project to construct or modify a liquefied natural gas export terminal or a renewal of that permit that is pending on the effective date of this Act is governed by the law in effect at the time the application was filed, and the former law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2025.

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