

SENATE AMENDMENTS
2nd Printing

By: King, Darby, Hunter, Fairly, Anchía, H.B. No. 143
et al.

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the authority of the Railroad Commission of Texas and
3 the Public Utility Commission of Texas to address a failure by an
4 operator to maintain an electrical power line serving a well site or
5 certain surface facilities in accordance with the National
6 Electrical Code.

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

8 SECTION 1. Section 91.019, Natural Resources Code, is
9 amended to read as follows:

10 Sec. 91.019. STANDARDS FOR CONSTRUCTION, OPERATION, AND
11 MAINTENANCE OF ELECTRICAL POWER LINES. (a) An operator shall
12 construct, operate, and maintain an electrical power line serving a
13 well site or other surface facility employed in operations incident
14 to oil and gas development and production in accordance with:

15 (1) the National Electrical Code published by the
16 National Fire Protection Association and adopted by the Texas
17 Commission of Licensing and Regulation under Chapter 1305,
18 Occupations Code; or

19 (2) 16 T.A.C. Sections 25.94, 25.95, and 25.96, as
20 those provisions existed on September 1, 2025, if the operator is a
21 utility as defined by Section 11.004, Utilities Code, engaged in
22 the maintenance of an electronic transmission and distribution
23 system.

24 (b) If, during an inspection by the commission of a well

1 site or surface facility employed in operations incident to oil and
2 gas development and production or on the receipt of a written notice
3 submitted by a landowner or lessee, the commission discovers a
4 condition involving an electrical power line, pole, or any other
5 related electrical equipment that does not meet the standards
6 described by Subsection (a) and poses a risk of causing a fire or
7 injury to a person, the commission shall, not later than three days
8 after the discovery of the condition, notify the Public Utility
9 Commission of Texas and the operator. The notification provided by
10 the commission must include a description of the condition and
11 whether the well is abandoned. To resolve the condition, the
12 commission and the Public Utility Commission of Texas, in
13 collaboration, shall, not later than 10 days after the Public
14 Utility Commission of Texas receives notice from the commission,
15 notify the landowner of the condition and inform the landowner of
16 the actions the commission and the Public Utility Commission of
17 Texas will take to resolve the condition, and:

18 (1) request that the state fire marshal or a local
19 government authority inspect the condition at the well site or
20 surface facility and require the operator to mitigate any dangerous
21 conditions identified by the state fire marshal or local government
22 authority;

23 (2) request that the electric utility that provides
24 electric service to the well site or surface facility investigate
25 the condition and disconnect electric service to the well site or
26 surface facility, if necessary; or

27 (3) take any other action the commission and the

1 Public Utility Commission of Texas consider necessary and
2 appropriate to resolve the condition.

3 (c) If electric service was disconnected by an electric
4 utility pursuant to a request made under Subsection (b)(2), the
5 utility must restore electric service to the well site or surface
6 facility on receipt of notice by the commission that the condition
7 has been resolved.

8 SECTION 2. Section 91.019, Natural Resources Code, as
9 amended by this Act, applies to an inspection that occurs on or
10 after the effective date of this Act.

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

ADOPTED

MAY 23 2025

Latey Law
Secretary of the Senate

By: *Kelly Harmon*

H.B. No. 143

Substitute the following for H.B. No. 143:

By: *Kelly Harmon*

C.S.H.B. No. 143

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the authority of the Railroad Commission of Texas and
3 the Public Utility Commission of Texas to address a failure by an
4 operator to maintain an electrical power line serving a well site or
5 certain surface facilities in accordance with the National
6 Electrical Code.

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

8 SECTION 1. Section 91.019, Natural Resources Code, is
9 amended to read as follows:

10 Sec. 91.019. STANDARDS FOR CONSTRUCTION, OPERATION, AND
11 MAINTENANCE OF ELECTRICAL POWER LINES. (a) An operator shall
12 construct, operate, and maintain:

13 (1) an electrical power line serving a well site or
14 other surface facility employed in operations incident to oil and
15 gas development and production in accordance with the National
16 Electrical Code published by the National Fire Protection
17 Association and adopted by the Texas Commission of Licensing and
18 Regulation under Chapter 1305, Occupations Code; and

19 (2) electrical power line poles in a manner that
20 ensures the prevention and remediation of any readily observable
21 deficiencies, including damage, deterioration, leaning, or
22 cracking.

23 (b) If a landowner or lessee discovers a condition involving
24 an electrical power line, pole, or any other related electrical

1 equipment that does not meet the standards described by Subsection
2 (a), the landowner or lessee shall provide written notice of the
3 condition to the commission.

4 (c) If, during an inspection by the commission of a well
5 site or surface facility employed in operations incident to oil and
6 gas development and production or on the receipt of a written notice
7 submitted by a landowner or lessee, the commission discovers a
8 readily observable condition involving an electrical power line,
9 pole, or any other related electrical equipment that does not meet
10 the standards described by Subsection (a) and poses a risk of
11 causing a fire or injury to a person, the commission shall, not
12 later than three days after the discovery of the condition, notify
13 the Public Utility Commission of Texas and the operator. The
14 notification provided by the commission must include a description
15 of the condition and whether the well is abandoned.

16 (d) The commission shall notify the landowner of the
17 condition and inform the landowner of the actions the commission
18 and the Public Utility Commission of Texas will take or have taken
19 to resolve the condition not later than:

20 (1) the 10th day after the date the commission
21 discovers the condition; or

22 (2) the 30th day after the date the commission
23 discovers the condition, if the commission does not have the
24 landowner's contact information at the time of the discovery.

25 (e) Not later than the 10th day after the date on which the
26 commission discovers the condition, the commission and the Public
27 Utility Commission of Texas shall resolve the condition by:

1 (1) requesting that the state fire marshal or a local
2 government authority inspect the condition at the well site or
3 surface facility and requiring the operator to mitigate any
4 dangerous conditions identified by the state fire marshal or local
5 government authority;

6 (2) requesting that the electric cooperative,
7 electric utility, or municipally owned utility that provides
8 electric service to the well site or surface facility disconnect
9 electric service to the well site or surface facility at the common
10 coupling point at which the cooperative's or utility's equipment
11 meets customer-owned equipment; or

12 (3) taking any other action the commission and the
13 Public Utility Commission of Texas consider necessary and
14 appropriate to resolve the condition.

15 (f) If electric service was disconnected pursuant to a
16 request made under Subsection (e)(2), the electric cooperative,
17 electric utility, or municipally owned utility must restore
18 electric service to the well site or surface facility on receipt of
19 notice by the commission that the condition has been resolved.

20 (g) Members, employees, and agents of the commission may
21 enter public or private property only as necessary for purposes of
22 conducting an inspection under this section.

23 SECTION 2. Section 91.019, Natural Resources Code, as
24 amended by this Act, applies only to an inspection that occurs on or
25 after the effective date of this Act.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 24, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB143 by King (Relating to the authority of the Railroad Commission of Texas and the Public Utility Commission of Texas to address a failure by an operator to maintain an electrical power line serving a well site or certain surface facilities in accordance with the National Electrical Code.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB143, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>Oil & Gas Regulation 5155</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,159,570)	11.0
2027	(\$1,077,070)	11.0
2028	(\$1,077,070)	11.0
2029	(\$1,077,070)	11.0
2030	(\$1,077,070)	11.0

Fiscal Analysis

The bill would amend the Natural Resources Code to expand the requirements for an operator when constructing, operating, and maintaining an electrical power line serving a well site or other surface facility employed in operations incident to oil and gas development and production beyond the National Electrical Code (NEC) to include ensuring the prevention and remediation in said electrical powerline poles of any readily observable deficiencies, including damage, deterioration, leaning, or cracking.

The bill would require the Railroad Commission (RRC) to notify the Public Utilities Commission (PUC) and the operator within three days if a condition is discovered during an inspection that would involve an electrical power line, pole, or any other related electrical equipment that does not meet the new standards and poses a risk of causing a fire or injury to a person. The bill would require the PUC and RRC to collaborate and notify the landowner of the condition and inform the landowner of the actions the commission and the Public Utility Commission of Texas will take to resolve the condition in accordance with the requirements of the bill no later than 10 days after the PUC receives the notification or 30 days after the PUC discovers the condition if the PUC does not have the landowner's contact information at the time of the discovery.

Methodology

According to the RRC, additional inspectors would be necessary to notify the landowner of the situation and the efforts necessary to resolve the situation as well as to escort a state fire marshal or a local government authority to the well site or surface facility to assist with their inspection.

For the purposes of this analysis, the table above assumes General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 (GRD 5155) would be used to cover the cost of implementing the provisions of the bill. If revenue collections and the GRD 5155 fund balance should become insufficient to pay for all costs, this analysis assumes that General Revenue Funds would be used instead.

Based on information provided by the RRC, it is assumed that \$1,159,570 would be required in fiscal year 2026 and \$1,077,070 in fiscal year 2027 and each fiscal year after to implement the provisions of the bill. Based on information provided by the RRC, 11.0 FTEs would also be required to implement the provisions of the bill. This includes salaries for 10.0 Engineering Specialist IIIs (\$662,545) and 1.0 Attorney III (\$102,980).

Amounts in the table above include salary costs totaling \$765,525 in fiscal year 2026 and each subsequent fiscal year; employee retirement benefits totaling \$217,562 in fiscal year 2026 and each subsequent fiscal year; agency payroll contributions totaling \$11,483 in fiscal year 2026 and each subsequent fiscal year; and other operating costs totaling \$165,000 in fiscal year 2026 and \$82,500 each subsequent fiscal year.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas

LBB Staff: JMc, SD, TUf, MW, JOc, NV, CMA, WP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 21, 2025

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB143** by King (relating to the authority of the Railroad Commission of Texas and the Public Utility Commission of Texas to address a failure by an operator to maintain an electrical power line serving a well site or certain surface facilities in accordance with the National Electrical Code.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB143, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>Oil & Gas Regulation</i> 5155	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,159,570)	11.0
2027	(\$1,077,070)	11.0
2028	(\$1,077,070)	11.0
2029	(\$1,077,070)	11.0
2030	(\$1,077,070)	11.0

Fiscal Analysis

The bill would amend the Natural Resources Code to expand the requirements for an operator when constructing, operating, and maintaining an electrical power line serving a well site or other surface facility employed in operations incident to oil and gas development and production beyond the National Electrical Code (NEC) to include ensuring the prevention and remediation in said electrical powerline poles of any readily observable deficiencies, including damage, deterioration, leaning, or cracking.

The bill would require the Railroad Commission (RRC) to notify the Public Utilities Commission (PUC) and the operator within three days if a condition is discovered during an inspection that would involve an electrical power line, pole, or any other related electrical equipment that does not meet the new standards and poses a risk of causing a fire or injury to a person. The bill would require the PUC and RRC to collaborate and notify the landowner of the condition and inform the landowner of the actions the commission and the Public Utility Commission of Texas will take to resolve the condition in accordance with the requirements of the bill no later than 10 days after the PUC receives the notification or 30 days after the PUC discovers the condition if the PUC does not have the landowner's contact information at the time of the discovery.

Methodology

According to the RRC, additional inspectors would be necessary to notify the landowner of the situation and the efforts necessary to resolve the situation as well as to escort a state fire marshal or a local government authority to the well site or surface facility to assist with their inspection.

For the purposes of this analysis, the table above assumes General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 (GRD 5155) would be used to cover the cost of implementing the provisions of the bill. If revenue collections and the GRD 5155 fund balance should become insufficient to pay for all costs, this analysis assumes that General Revenue Funds would be used instead.

Based on information provided by the RRC, it is assumed that \$1,159,570 would be required in fiscal year 2026 and \$1,077,070 in fiscal year 2027 and each fiscal year after to implement the provisions of the bill. Based on information provided by the RRC, 11.0 FTEs would also be required to implement the provisions of the bill. This includes salaries for 10.0 Engineering Specialist IIIs (\$662,545) and 1.0 Attorney III (\$102,980).

Amounts in the table above include salary costs totaling \$765,525 in fiscal year 2026 and each subsequent fiscal year; employee retirement benefits totaling \$217,562 in fiscal year 2026 and each subsequent fiscal year; agency payroll contributions totaling \$11,483 in fiscal year 2026 and each subsequent fiscal year; and other operating costs totaling \$165,000 in fiscal year 2026 and \$82,500 each subsequent fiscal year.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas
LBB Staff: JMc, TUf, MW, JOc, NV, CMA, WP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION
Revision 1

April 15, 2025

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB143 by King (Relating to the authority of the Railroad Commission of Texas and the Public Utility Commission of Texas to address a failure by an operator to maintain an electrical power line serving a well site or certain surface facilities in accordance with the National Electrical Code.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB143, As Engrossed: an impact of \$0 through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>Oil & Gas Regulation</i> 5155	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$8,956,016)	29.0
2027	(\$6,749,026)	29.0
2028	(\$4,704,026)	29.0
2029	(\$4,704,026)	29.0
2030	(\$4,704,026)	29.0

Fiscal Analysis

The bill would amend the Natural Resources Code to expand the requirements for an operator when constructing, operating, and maintaining an electrical power line serving a well site or other surface facility employed in operations incident to oil and gas development and production to include that the actions must be in accordance with rules established by the Public Utility Commission (PUC) in the Texas Administrative Code (TAC) in Sections 25.94 Report on Infrastructure Improvement and Maintenance, 25.95 Electric Utility Infrastructure Storm hardening, and 25.96 Vegetation Management as those provisions existed on September 1,

2025, if the operator would be a utility as defined by Utilities Code, Section 11.04 engaged in the maintenance of an electronic transmission and distribution system.

The bill would require the Railroad Commission (RRC) to notify the PUC and the operator within three days if a condition is discovered during an inspection that would involve an electrical power line, pole, or any other related electrical equipment that does not meet the new standards and poses a risk of causing a fire or injury to a person. The bill would require the PUC and RRC to collaborate and notify the landowner of the condition and inform the landowner of the actions the commission and the Public Utility Commission of Texas will take to resolve the condition in accordance with the requirements of the bill no later than 10 days after the PUC receives the notification.

Methodology

According to the RRC, the provisions of the bill would require the agency to conduct inspections under both the National Electrical Code (NEC) and PUC maintenance rules for utilities in the TAC. The agency reports that PUC rules include more requirements for operators than the NEC which will expand the scope and effort of performing utility inspections. According to the RRC, additional staff would be required due to the shorter notification timeframes for electrical concern analysis, notifications, and PUC/RRC collaborative resolution decision making.

For the purposes of this analysis, the table above assumes General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 (GRD 5155) would be used to cover the cost of implementing the provisions of the bill. If revenue collections and the GRD 5155 fund balance should become insufficient to pay for all costs, this analysis assumes that General Revenue Funds would be used instead.

Based on information provided by the RRC, it is assumed that \$8,956,016 in would be required in fiscal year 2026, \$6,749,026 in fiscal year 2027, \$4,704,026 in each fiscal year after and 29.0 FTEs to implement the provisions of the bill. This includes salaries for four different teams: 8.0 FTEs for the Austin Electric Concern Resolution Team, to gather information from landowner complaints and RRC inspections, analyze the information, and develop solutions; 10.0 FTEs for the District Office Enforcement Team, for inspections, documenting electrical concerns, coordinating inspections with state fire marshals or local government officials that request an RRC representative assist with their investigation at the oil and gas site; 8.0 FTEs for the Legal Enforcement Team, for legal enforcements and hearings related to violations related to electrical concerns; and 3.0 FTEs for IT Systems and Support Staff, to incorporate the new requirements into the existing systems for inspections and administrative hearings.

Amounts in the table above include salary costs totaling \$2,137,874 in fiscal year 2026 and each subsequent fiscal year; employee retirement benefits totaling \$607,584 in fiscal year 2026 and each subsequent fiscal year; agency payroll contributions totaling \$32,068 in fiscal year 2026 and each subsequent fiscal year; other operating costs totaling \$435,000 in fiscal year 2026 and \$217,500 each subsequent fiscal; and equipment costs totaling \$434,000 in fiscal year 2026 and each subsequent fiscal year. Costs also include \$329,490 in fiscal year 2026 for six trucks for inspections.

Amounts in the table above also include \$4,980,000 in fiscal year 2026, \$3,320,000 in fiscal year 2027, and \$1,275,000 in fiscal year 2028 and each subsequent fiscal year technology costs. These include changes to the Inspection, Compliance, and Enforcement system to document and track violations and corrections; a new external online functionality allowing landowners or lessees to report sub-standard conditions; the development of a new notification system to notify the PUC and the landowners within the specified time frame; modifications to the Hearings and Enforcement systems to accommodate the new case types and track the process of violations and resolutions; integration of data from the oil and gas inspection system and the data submitted from landowners/lessee with the new notification system; and new reporting features to the track electrical inspections, PUC coordination, and electric utility notifications.

Technology

Technology costs include \$4,980,000 in fiscal year 2026; \$3,320,000 in fiscal year 2027; and \$1,275,000 in fiscal year 2028 and each subsequent fiscal year for multiple upgrades to multiple systems.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas

LBB Staff: JMc, TUf, MW, JOc, CMA, WP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 19, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB143 by King (relating to the authority of the Railroad Commission of Texas and the Public Utility Commission of Texas to address a failure by an operator to maintain an electrical power line serving a well site or certain surface facilities in accordance with the National Electrical Code.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

According to information from the Public Utility Commission, there could be a fiscal impact to local government entities where issues with power lines are identified because local resources may be needed to inspect the site or facility in question. However, this impact cannot be determined because the number of incidents that may occur cannot be quantified and the cost for incidents occurring is unknown.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas

LBB Staff: JMc, WP, MW, JOc

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 10, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB143 by King (Relating to the authority of the Railroad Commission of Texas and the Public Utility Commission of Texas to address a failure by an operator to maintain an electrical power line serving a well site or certain surface facilities in accordance with the National Electrical Code.), **As Introduced**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

According to information from the Public Utility Commission, there could be a fiscal impact to local government entities where issues with power lines are identified because local resources may be needed to inspect the site or facility in question. However, this impact cannot be determined because the number of incidents that may occur cannot be quantified and the cost for incidents occurring is unknown.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas

LBB Staff: JMc, WP, MW, JOc