

## **BILL ANALYSIS**

C.S.S.B. 1541  
By: Estes  
Energy Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that recent energy development activity in Texas has led to new methods for recycling oil-related and gas-related waste but that, as is common with new advancements, additional clarification of the law is needed, notably with respect to drill cuttings. C.S.S.B. 1541 seeks to address this issue by reforming the law with respect to the treatment and recycling for the beneficial use of drill cuttings.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 2 of this bill.

### **ANALYSIS**

C.S.S.B. 1541 amends the Natural Resources Code to define "treatment" for purposes of statutory provisions relating to treatment and recycling for beneficial use of drill cuttings as a manufacturing, mechanical, thermal, or chemical process other than sizing, shaping, diluting, or sorting. The bill establishes that for the purposes of such provisions a use of drill cuttings is considered to be beneficial if the cuttings are used in the construction of oil and gas lease pads or oil and gas lease roads or if the cuttings are used as part of a legitimate commercial product. The bill requires the Railroad Commission of Texas by rule to define "legitimate commercial product" for the purposes of such provisions and by rule to adopt criteria for beneficial uses to ensure that a beneficial use of recycled drill cuttings under such provisions is at least as protective of public health, public safety, and the environment as the use of an equivalent product made without recycled drill cuttings. The bill requires a rule adopted by the railroad commission under such provisions or a permit or order issued by the railroad commission regarding the treatment and beneficial use of drill cuttings to be at least as protective of public health, public safety, and the environment as a rule, permit, or order, respectively, adopted or issued by the railroad commission regarding the disposal of drill cuttings.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

### **COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 1541 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial

differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED

SECTION 1. Section 123.001, Natural Resources Code, is amended by adding Subdivision (4) to read as follows:

(4) "Treatment" means a manufacturing, mechanical, or chemical process other than sizing, shaping, diluting, or sorting.

SECTION 2. Chapter 123, Natural Resources Code, is amended by adding Section 123.0015 to read as follows:

SECTION 3. Section 123.005, Natural Resources Code, is amended to read as follows:

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 123.001, Natural Resources Code, is amended by adding Subdivision (4) to read as follows:

(4) "Treatment" means a manufacturing, mechanical, thermal, or chemical process other than sizing, shaping, diluting, or sorting.

SECTION 2. Same as engrossed version.

SECTION 3. Same as engrossed version.

SECTION 4. Same as engrossed version.