

BILL ANALYSIS

C.S.H.B. 3246
By: Darby
Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Although the state promotes the recycling of fluid oil and gas waste and the legislature has sought in the past to clarify ambiguities regarding the ownership of such waste, concerns have been raised regarding an ambiguity relating to ownership between water haulers and oil and gas operators. C.S.H.B. 3246 seeks to address this oversight by addressing a situation in which fluid oil and gas waste is produced and used by a person who takes possession of that waste for the purpose of treating the waste for a subsequent beneficial use.

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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3246 amends the Natural Resources Code to establish that, unless otherwise expressly provided by a legally binding document, when fluid oil and gas waste is produced and used by a person who takes possession of that waste for the purpose of treating the waste for a subsequent beneficial use, the waste is considered to be the property of the person who takes possession of it for the purpose of treating the waste for subsequent beneficial use until the person transfers the waste or treated waste to another person for disposal or use. The bill explicitly includes an oil or gas lease and a surface use agreement among the legally binding documents that may provide an exception to provisions relating to the ownership of fluid oil and gas waste transferred for treatment and subsequent beneficial use.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3246 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision explicitly including an oil or gas lease and a surface use agreement among the legally binding documents that may provide an exception to provisions relating to the ownership of fluid oil and gas waste transferred for treatment and subsequent beneficial use.