

BILL ANALYSIS

C.S.H.B. 4066
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In Texas, greywater recyclers regulated under the beneficial reuse program, which is administered by the Railroad Commission of Texas (RRC), operate under the permit umbrella of an oil and gas operator. However, it has been suggested that these recyclers would benefit from having a separate permit, the availability of which would streamline permitting processes while still maintaining the RRC's mission to protect public health and safety, maintain environmental integrity, and prevent the waste of Texas' water resources. C.S.H.B. 4066 seeks to address this issue by providing for a permit for the beneficial recycling of certain wastewater.

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 1 of this bill.

ANALYSIS

C.S.H.B. 4066 amends the Natural Resources Code to require the Railroad Commission of Texas (RRC), not later than December 1, 2021, to adopt a permit by rule for the beneficial recycling of the following:

- treated domestic wastewater, as defined by the bill, generated at oil and gas drilling sites; and
- mobile drinking water treatment system wastewater, as defined by the bill, generated from oil and gas drilling sites, including reverse osmosis reject water.

C.S.H.B. 4066 requires the RRC, in adopting the permit, to require the following:

- that discharges of treated wastewater at oil and gas drilling sites are in compliance with the state's applicable water quality standards for reuse down-hole or applied to land;
- notification of the start date and exact location for each domestic wastewater or mobile drinking water treatment system unit;
- certain reporting requirements; and
- financial security assurances in an amount not to exceed \$200,000 per year for each active permit.

The bill's provisions apply to an oil and gas drilling site regardless of whether the well has been completed.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4066 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 original required the RRC, in adopting the permit, to require that discharges of treated wastewater at completion sites are in compliance with the state's water quality standards. The substitute requires the RRC instead to require that discharges of treated wastewater at oil and gas drilling sites are in compliance with the state's applicable water quality standards for reuse down-hole or applied to land. The substitute includes a requirement absent from the original for the RRC, in adopting the permit, to require notification of the start date and exact location for each domestic wastewater unit.

The substitute includes a specification absent from the original that the required annual financial security assurances are for each active permit.

The original required the RRC to adopt the permit not later than September 1, 2022. The substitute postpones that deadline to December 1, 2021.