

## **BILL ANALYSIS**

Senate Research Center  
76R6126 CBH-D

H.B. 2104  
By: Craddick (Bivins)  
Natural Resources  
5/3/1999  
Engrossed

### **DIGEST**

The 75th Legislature created a severance tax relief for wells which have been returned to active status after three years or more of inactive status. This exemption has been responsible for a great number of wells being reworked and producing, according to the Texas Railroad Commission (RRC). The application to apply for a severance tax relief for wells expires on August 31, 1999. H.B. 2104 would extend the application deadline for a severance tax relief for wells to August 31, 2001, and would extend the deadline for RRC to designate a two-year inactive well to February 28, 2002.

### **PURPOSE**

As proposed, H.B. 2104 extends the application deadline for a severance tax relief for wells.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 202.056(c) and (d), Tax Code, as follows:

(c) Prohibits the Texas Railroad Commission from designating a two-year inactive well under this section after February 28, 2002, rather than February 29, 2000.

(d) Requires an application for two-year inactive well certification to be made during the period of September 1, 1997, through August 31, 2001, rather than 1999.

SECTION 2. Emergency clause.

Effective date: upon passage.