

BILL ANALYSIS

Senate Research Center

S.B. 1400
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Natural Resources
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DIGEST AND PURPOSE

Often times a land owner or royalty owner is unable to assess damages on their property caused by an oil or gas company. For this reason, damages on the property may not be discovered until after the terms of the lease expire. As proposed, S.B. 1400 provides that the limitations period on a cause of action arising under an oil and gas lease does not begin to run until the lease expires or terminates.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 16.004, Civil Practice and Remedies Code, by adding Subsection (d), to provide that the limitation period on a cause of action arising under an oil and gas lease does not begin to run until the lease expires, terminates, or otherwise ceases to exist.

SECTION 2. Effective date: September 1, 2001.