

## **BILL ANALYSIS**

Senate Research Center  
77R3551 DAK-D

S.B. 422  
By: Armbrister  
Natural Resources  
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As Filed

### **DIGEST AND PURPOSE**

In a 1999 decision, the Texas Supreme Court did away with the discovery rule in oil and gas cases. The removal of the discovery rule in cases arising under oil and gas leases increases the possibility that litigation in Texas will rise. As proposed, S.B. 422 reintroduces the discovery rule in oil and gas cases in order to protect plaintiffs from being barred from remedies merely because the injuries have yet to be discovered.

### **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, to provide that for purposes of this section, a cause of action arising under an oil and gas lease does not accrue until the facts giving rise to the cause of action are discovered or by the exercise of reasonable diligence should have been discovered.

SECTION 2. Effective date: September 1, 2001.  
Makes application of this Act prospective.