

BILL ANALYSIS

Senate Research Center
80R7228 ACP-F

S.B. 1026
By: Averitt
Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, pipelines carrying feedstock to or products from carbon gasification cannot be classified as common carriers with the Texas Railroad Commission (commission). A common carrier is an organization that transports persons, goods, or provides public utilities, and offers its services to the general public. In contrast, private carriers do not offer a service to the public and provide transport on an irregular or ad-hoc basis. Common carriers typically transport persons or goods according to defined routes and schedules.

As proposed, S.B. 1026 authorizes pipelines carrying feedstock to or products from carbon gasification to be classified as common carriers with the commission. Furthermore, this bill extends eminent domain to such pipelines, by including those pipelines within the provisions of Chapter 111, Natural Resources Code.

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 111.002, Natural Resources Code, as follows:

Sec. 111.002. COMMON CARRIERS UNDER CHAPTER. Provides that a person is a common carrier subject to the provisions of this chapter (Common Carriers, Public Utilities, and Common Purchasers) if it owns, operates, or manages a pipeline or any part of a pipeline in the State of Texas for the transportation of feedstock for carbon gasification, the products of carbon gasification, or the derivative products of carbon gasification, in whatever form, to or for the public for hire, but only if the person files with the Texas Railroad Commission (commission) a written acceptance of the provisions of this chapter expressly agreeing that, in consideration of the rights acquired, it becomes a common carrier subject to the duties and obligations conferred or imposed by this chapter.

SECTION 2. Amends Section 111.013, Natural Resources Code, as follows:

Sec. 111.013. CONTROL OF PIPELINES. Requires pipelines, subject to the provisions of this chapter and not exempt under Section 111.003, used in connection with the business of transporting feedstock for carbon gasification, the products of gasification, or the derivative products of carbon gasification in whatever form by pipeline for hire in Texas to be operated as a common carrier and to be subject to the jurisdiction of the commission. Makes nonsubstantive changes.

SECTION 3. Effective date: September 1, 2007.