

By: Stephenson

H.B. No. 2633

A BILL TO BE ENTITLED

AN ACT

relating to the compensation of an owner of the surface estate in land for damages associated with mineral exploration and production operations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle B, Title 3, Natural Resources Code, is amended by adding Chapter 93 to read as follows:

CHAPTER 93. SURFACE OWNER COMPENSATION

Sec. 93.001. DEFINITIONS. In this chapter:

(1) "Agricultural use" has the meaning assigned by Section 23.51, Tax Code.

(2) "Mineral developer" means a person who acquires a mineral estate or a mineral lease for the purpose of extracting or using minerals from a tract of land for purposes other than agricultural use.

(3) "Mineral estate" means an estate in or ownership of all or part of the minerals underlying a tract of land.

(4) "Mineral exploration and production operations" means the following activities to the extent they require entry on the surface of a tract of land:

(A) mineral geophysical and seismographical exploration activities; and

(B) mineral drilling, production, and completion operations.

1           (5) "Surface estate" means an estate in or ownership  
2 of the surface of a tract of land.

3           (6) "Surface owner" means a person who holds record  
4 title to the surface of a tract of land.

5           Sec. 93.002. APPLICABILITY. (a) This chapter applies only  
6 to land used for agricultural use.

7           (b) A surface owner is entitled to damages as provided by  
8 this subchapter regardless of whether:

9           (1) the surface estate of the land has been severed  
10 from the mineral estate; or

11           (2) the surface owner is the person who executed the  
12 instrument that gave the mineral developer the right to conduct  
13 mineral exploration and production operations on the land.

14           Sec. 93.003. REMEDIES CUMULATIVE. The remedies provided by  
15 this chapter are in addition to any other remedies provided by law.

16           Sec. 93.004. RIGHT TO PAYMENT FOR DAMAGES. (a) A mineral  
17 developer shall pay each surface owner an amount equal to the amount  
18 of actual damages sustained by the surface owner for the following,  
19 to the extent the damages are caused by mineral exploration and  
20 production operations on the surface owner's land:

21           (1) loss of income derived from agricultural use of  
22 the land;

23           (2) reduction in value of the land;

24           (3) reduction in value of improvements to the land;

25           (4) loss of access to the surface of the land; and

26           (5) loss of the use of the surface of the land.

27           (b) The computation of the amount of compensation for

1 damages described by Subsection (a) to which the surface owner is  
2 entitled must take into account:

3 (1) the amount of land affected by mineral exploration  
4 and production operations;

5 (2) crop losses or livestock losses;

6 (3) surface damage;

7 (4) rental losses; and

8 (5) the length of the period during which the loss or  
9 reduction in value occurs.

10 (c) Except as provided by Subsection (d), a surface owner  
11 may be paid the compensation for the amount of the damages in annual  
12 installments or in a lump-sum payment.

13 (d) A surface owner shall be paid the compensation for the  
14 loss of income derived from agricultural use of the land in annual  
15 installments.

16 SECTION 2. The change in law made by this Act applies only  
17 to liability for damage to the surface of land caused by the use of  
18 the surface for mineral exploration and production operations on or  
19 after the effective date of this Act. Liability for damage to the  
20 surface of land caused by the use of the surface for mineral  
21 exploration and production operations before the effective date of  
22 this Act is governed by the law in effect on the date the damage was  
23 caused, and that law is continued in effect for that purpose.

24 SECTION 3. This Act takes effect September 1, 2013.