

1-1 By: Darby, et al. (Senate Sponsor - Hughes) H.B. No. 964
 1-2 (In the Senate - Received from the House April 26, 2021;
 1-3 May 4, 2021, read first time and referred to Committee on Natural
 1-4 Resources & Economic Development; May 19, 2021, reported favorably
 1-5 by the following vote: Yeas 7, Nays 0; May 19, 2021, sent to
 1-6 printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10			X	
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			
1-17	X			

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to the treatment, recycling for beneficial use, or
 1-21 disposal of drill cuttings.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Sections 123.001(2) and (3), Natural Resources
 1-24 Code, are amended to read as follows:

1-25 (2) "Drill cuttings" means bits of rock or soil cut
 1-26 from a subsurface formation by a drill bit during the process of
 1-27 drilling an oil or gas well and lifted to the surface by means of the
 1-28 circulation of drilling mud. The term includes any associated
 1-29 sand, silt, drilling fluid, spent completion fluid, workover fluid,
 1-30 debris, water, brine, oil scum, paraffin, or other material cleaned
 1-31 out of the wellbore.

1-32 (3) "Permit holder" means a person who holds a permit
 1-33 from the commission to operate a stationary commercial solid oil
 1-34 and gas waste recycling facility or a commercial oil and gas waste
 1-35 disposal facility.

1-36 SECTION 2. Section 123.003, Natural Resources Code, is
 1-37 amended to read as follows:

1-38 Sec. 123.003. RESPONSIBILITY IN TORT. Unless otherwise
 1-39 provided by a contract or other written agreement, a [A] person who
 1-40 generates drill cuttings and transfers the drill cuttings in an
 1-41 arm's length transaction to an unaffiliated third-party [a] permit
 1-42 holder under a contract that requires [with the contractual
 1-43 understanding] that the drill cuttings [will] be used in connection
 1-44 with road building or another beneficial use or disposed of is not
 1-45 liable in tort for a consequence of the subsequent use or disposal
 1-46 of the drill cuttings by the permit holder or by another person if:

1-47 (1) the person who generates the drill cuttings has
 1-48 the legal and contractual right to transfer the drill cuttings to
 1-49 the permit holder;

1-50 (2) the method and location of the use or disposal are
 1-51 not prohibited by law, contract, or other written agreement; and

1-52 (3) the consequence was caused solely by the permit
 1-53 holder.

1-54 SECTION 3. The change in law made by this Act applies only
 1-55 to a cause of action that accrues on or after the effective date of
 1-56 this Act. A cause of action that accrues before the effective date
 1-57 of this Act is governed by the law in effect immediately before that
 1-58 date, and that law is continued in effect for that purpose.

1-59 SECTION 4. This Act takes effect immediately if it receives
 1-60 a vote of two-thirds of all the members elected to each house, as
 1-61 provided by Section 39, Article III, Texas Constitution. If this

2-1 Act does not receive the vote necessary for immediate effect, this
2-2 Act takes effect September 1, 2021.

2-3 * * * * *