

1-1 By: Morales of Maverick H.B. No. 4042  
1-2 (Senate Sponsor - Zaffirini)  
1-3 (In the Senate - Received from the House May 5, 2025;  
1-4 May 19, 2025, read first time and referred to Committee on Natural  
1-5 Resources; May 22, 2025, reported favorably by the following vote:  
1-6 Yeas 8, Nays 1; May 22, 2025, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Birdwell	X		
1-10	Zaffirini	X		
1-11	Alvarado	X		
1-12	Blanco	X		
1-13	Flores	X		
1-14	Hancock	X		
1-15	Hughes	X		
1-16	Parker	X		
1-17	Sparks		X	

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

1-20 relating to the applicability of certain safety provisions and  
1-21 regulatory fees administered by the Railroad Commission of Texas to  
1-22 gas distribution pipelines.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Sections 121.211(a), (d), (e), and (g),  
1-25 Utilities Code, are amended to read as follows:

1-26 (a) The railroad commission by rule may adopt a fee to be  
1-27 assessed annually against operators of ~~natural~~ gas distribution  
1-28 pipelines and their pipeline facilities and ~~natural~~ gas master  
1-29 metered pipelines and their pipeline facilities subject to this  
1-30 title.

1-31 (d) The commission may assess each operator of a ~~natural~~  
1-32 gas distribution system subject to this title an annual fee not to  
1-33 exceed one dollar for each service line reported by the system on  
1-34 the Distribution Annual Report, Form RSPA F7100.1-1, due on March  
1-35 15 of each year. The fee is due March 15 of each year.

1-36 (e) The railroad commission may assess each operator of a  
1-37 ~~natural~~ gas master metered system subject to this title an annual  
1-38 fee not to exceed \$100 for each master metered system. The fee is  
1-39 due June 30 of each year.

1-40 (g) Each operator of a ~~natural~~ gas distribution system and  
1-41 each ~~natural~~ gas master meter operator shall recover as a  
1-42 surcharge to its existing rates the amounts paid to the commission  
1-43 under this section. Amounts collected under this subsection by an  
1-44 investor-owned ~~natural~~ gas distribution system or a  
1-45 cooperatively owned ~~natural~~ gas distribution system shall not be  
1-46 included in the revenue or gross receipts of the company for the  
1-47 purpose of calculating municipal franchise fees or any tax imposed  
1-48 under Subchapter B, Chapter 182, Tax Code, or under Chapter 122.  
1-49 Those amounts are not subject to a sales and use tax imposed by  
1-50 Chapter 151, Tax Code, or Subtitle C, Title 3, Tax Code.

1-51 SECTION 2. Section 121.213(a), Utilities Code, is amended  
1-52 to read as follows:

1-53 (a) In this section, "distribution gas pipeline facility"  
1-54 means a pipeline facility that distributes ~~natural~~ gas directly  
1-55 to end-use customers.

1-56 SECTION 3. Section 121.214(a)(1), Utilities Code, is  
1-57 amended to read as follows:

1-58 (1) "Distribution gas pipeline facility" means a  
1-59 pipeline facility that distributes ~~natural~~ gas directly to end  
1-60 use customers.

1-61 SECTION 4. This Act takes effect September 1, 2025.

1-62 \* \* \* \* \*