

1-1 By: Sparks S.B. No. 2037
1-2 (In the Senate - Filed March 7, 2025; March 17, 2025, read
1-3 first time and referred to Committee on Natural Resources;
1-4 April 7, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 7, 2025,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

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

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 2037 By: Zaffirini

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to permit application review and contested case procedures
1-22 for environmental permits involving a project to construct or
1-23 modify a liquefied natural gas export terminal; authorizing a fee.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 5.555, Water Code, is amended by adding
1-26 Subsection (a-1) to read as follows:

1-27 (a-1) With respect to a permit application filed with the
1-28 commission for a project to construct or modify a liquefied natural
1-29 gas export terminal or a renewal of that permit, the executive
1-30 director shall provide each response required by Subsection (a) not
1-31 later than the 120th day after the close of the public comment
1-32 period.

1-33 SECTION 2. Subchapter M, Chapter 5, Water Code, is amended
1-34 by adding Section 5.559 to read as follows:

1-35 Sec. 5.559. PROCEDURES FOR PERMIT APPLICATION REVIEW AND
1-36 CONTESTED CASES INVOLVING PROJECT TO CONSTRUCT OR MODIFY LIQUEFIED
1-37 NATURAL GAS EXPORT TERMINAL. (a) This section applies only to a
1-38 permit application filed with the commission for a project to
1-39 construct or modify a liquefied natural gas export terminal.

1-40 (b) The commission by rule shall establish an expedited
1-41 permit application review process for permit applications
1-42 described by Subsection (a). Rules adopted under this subsection
1-43 must require an applicant who elects the expedited permit
1-44 application review process to pay an additional fee in an amount the
1-45 commission determines is necessary to cover the costs of the
1-46 expedited review. The additional fee collected pursuant to this
1-47 subsection shall be deposited to the credit of a special account in
1-48 the general revenue fund and may be used only for the administration
1-49 of the expedited permit application established under this
1-50 subsection.

1-51 (c) In a request for a contested case hearing involving a
1-52 permit application described by Subsection (a), the party
1-53 requesting the hearing must specify each reason the party is an
1-54 affected person as defined by Section 5.115(a). In determining
1-55 whether a party is an affected person, the administrative law judge
1-56 may only consider the reasons specified by:

1-57 (1) the party in the party's request for a contested
1-58 case hearing; and

1-59 (2) the permit applicant in a response submitted under
1-60 Subsection (d) regarding why the requesting party should or should

2-1 not be considered an affected party.

2-2 (d) A permit applicant shall submit any response described
2-3 by Subsection (c)(2) not later than:

2-4 (1) the 20th day after the date the commission refers
2-5 the case to the State Office of Administrative Hearings; or

2-6 (2) a later date authorized by the administrative law
2-7 judge.

2-8 (e) In a contested case involving a permit application
2-9 described by Subsection (a), an administrative law judge shall set
2-10 a date for the preliminary hearing not later than the 30th day after
2-11 the date the commission refers the case to the State Office of
2-12 Administrative Hearings.

2-13 (f) The commission shall adopt rules as necessary to
2-14 implement this section.

2-15 SECTION 3. Section 382.056, Health and Safety Code, is
2-16 amended by adding Subsection (l-1) and amending Subsection (n) to
2-17 read as follows:

2-18 (l-1) With respect to a permit application filed with the
2-19 commission under Section 382.0518 for a project to construct or
2-20 modify a liquefied natural gas export terminal or a renewal review
2-21 of that permit under Section 382.055, the executive director shall
2-22 provide each response required by Subsection (l) not later than the
2-23 120th day after the close of the public comment period.

2-24 (n) Except as provided by Section 382.0561, the commission
2-25 shall consider a request that the commission reconsider the
2-26 executive director's decision or hold a contested case [~~public~~]
2-27 hearing in accordance with the procedures provided by Sections
2-28 5.556 and 5.557, Water Code.

2-29 SECTION 4. The change in law made by this Act applies only
2-30 to a permit application for a project to construct or modify a
2-31 liquefied natural gas export terminal or a renewal of that permit
2-32 that is filed with the Texas Commission on Environmental Quality on
2-33 or after the effective date of this Act. A permit application for a
2-34 project to construct or modify a liquefied natural gas export
2-35 terminal or a renewal of that permit that is pending on the
2-36 effective date of this Act is governed by the law in effect at the
2-37 time the application was filed, and the former law is continued in
2-38 effect for that purpose.

2-39 SECTION 5. This Act takes effect September 1, 2025.

2-40

* * * * *