

## **BILL ANALYSIS**

C.S.H.B. 1575  
By: Guillen  
Energy Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that the Unclaimed Mineral Proceeds Commission was recently created to study and provide recommendations to the legislature regarding the distribution of certain unclaimed mineral proceeds derived from an original land grant. The commission has issued a report with its findings and submitted a number of recommendations to the legislature. One recommendation is that a holder of unclaimed property include the source of the property when reporting the property to the state. For example, when an oil or gas producer reports unclaimed royalties to the state, no information about the producing well's location is required to be included. Interested parties contend that this additional information reported with the unclaimed property will help facilitate increased claims by rightful owners. C.S.H.B. 1575 seeks to address this issue and improve the unclaimed property claims process.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1575 amends the Property Code to require a holder of unclaimed mineral proceeds that is regulated by the Railroad Commission of Texas under Natural Resources Code provisions generally applicable to the conservation and regulation of oil and gas to include in the property report for the proceeds, in addition to information prescribed by law and with respect to each well the production from which resulted in the proceeds, certain identifying information required for oil and gas royalty reporting, the survey name for the location of the well, and, from the railroad commission, Form W-1 (Application for Permit to Drill, Deepen, Plug-back or Re-enter) and the General Land Office abstract number and the global positioning system coordinates for the location of the well.

### **EFFECTIVE DATE**

January 1, 2016.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1575 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 74.101, Property Code, is amended by adding Subsection (e) to read as follows:

(e) A holder of mineral proceeds under Chapter 75 that is regulated by the Railroad Commission of Texas under Chapter 91, Natural Resources Code, shall include in the property report for the proceeds, in addition to the information listed in Subsection (c), the following information with respect to each well the production from which resulted in the proceeds:

- (1) the survey name for the location of the well; and
- (2) from the Railroad Commission of Texas Form W-1 (Application for Permit to Drill, Deepen, Plug-back or Re-enter):
  - (A) the General Land Office abstract number for the location of the well; and
  - (B) the global positioning system coordinates for the location of the well.

SECTION 2. Section 74.101(e), Property Code, as added by this Act, applies only to a report filed on or after the effective date of this Act. A report filed before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 74.101, Property Code, is amended by adding Subsection (e) to read as follows:

(e) A holder of mineral proceeds under Chapter 75 that is regulated by the Railroad Commission of Texas under Chapter 91, Natural Resources Code, shall include in the property report for the proceeds, in addition to the information listed in Subsection (c), the following information with respect to each well the production from which resulted in the proceeds:

- (1) all information required under Section 91.502(1), Natural Resources Code;
- (2) the survey name for the location of the well; and
- (3) from the Railroad Commission of Texas Form W-1 (Application for Permit to Drill, Deepen, Plug-back or Re-enter):
  - (A) the General Land Office abstract number for the location of the well; and
  - (B) the global positioning system coordinates for the location of the well.

SECTION 2. Same as introduced version.

SECTION 3. This Act takes effect January 1, 2016.