

BILL ANALYSIS

Senate Research Center
77R5829 SMH-D

S.B. 868
By: Lindsay
Natural Resources
4/23/2001
As Filed

DIGEST AND PURPOSE

Section 52.036 of the Natural Resources Code, regarding temporary reduction of gas royalty rates, was enacted in 1987 for the purpose of extending the producing life (royalty paying life) of certain gas wells by providing for a royalty reduction. Under the statute a reduction may be granted only for production between September 1, 1987 and September 1, 1990. As proposed, S.B. 868 repeals Section 52.036, Natural Resources Code, since operators have not been eligible to use Section 52.036 for more than ten years.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Repealer: Section 52.036 (Temporary Reduction of Gas Royalty Rates), Natural Resources Code.

SECTION 2. Effective date: upon passage or September 1, 2001.