

BILL ANALYSIS

Senate Research Center
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H.B. 2067
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The evaluation of oil and gas resources involves the quantification of the volume of oil and gas reserves and resources in the subsurface of the earth, the forecasting of oil and gas production, and the evaluation of the economic impact of the production forecasts. While the evaluation of oil and gas resources requires special knowledge, training, and the application of engineering principles, the practice is not regulated by any state.

Recently, Texas Board of Professional Engineers (TBPE) staff concluded that engineers who evaluate oil and gas resources in Texas must be licensed under the Texas Engineering Practice Act. This conclusion gives rise to the concern that licensing agencies in other states, once learning of the TBPE opinion, may reciprocate by disallowing the export of Texas professional engineering expertise for the evaluation of oil and gas resources within reservoirs underlying those states. Consequently, the TBPE staff position may cause increased costs to Texas-licensed professional engineers and the companies that employ them, as those companies and engineers may have to expend resources to meet those other states' regulatory requirements. H.B. 2067 proposes to exempt engineers engaged in the evaluation of oil and gas resources that are licensed in a state that does not prohibit similar activities in that state by a Texas engineer from the regulatory requirements of the Texas Engineering Practice Act. There is no risk to public health or safety of Texas citizens from the evaluation of oil and gas reservoirs underlying Texas by licensed professional engineers from other states. Further, this bill does not change existing licensure requirements for Texas residents who provide engineering services to the public.

H.B. 2067 amends current law relating to the regulation of the practice of engineering by individuals engaged in the evaluation of oil and gas resources.

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. Amends Subchapter B, Chapter 1001, Occupations Code, by adding Section 1001.068, as follows:

Sec. 1001.068. CERTAIN OUT-OF-STATE ENGINEERS ENGAGED IN EVALUATING OIL AND GAS RESOURCES. (a) Defines, in this section, "evaluation of gas and gas resources."

(b) Provides that this chapter does not apply to the evaluation of oil and gas resources if the evaluation:

(1) is done by an engineer licensed in a state that does not prohibit engineers licensed under this chapter from engaging in the evaluation of oil and gas resources in that state;

(2) does not involve design, construction, or engineering assessments on the surface; and

(3) does not present a risk to public health or safety.

SECTION 2. Effective date: upon passage or September 1, 2011.