

BILL ANALYSIS

Senate Research Center

H.B. 3516
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Water, Agriculture & Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, commercial produced water recycling companies are growing in need and number in order to treat the large volumes of fluid oil and gas waste in the state. The permitting process for their operations is in need of an update in order to meet the needs of the growing industry.

H.B. 3516 directs the Railroad Commission of Texas to conduct rulemaking to create a more transparent and predictable permitting process for commercial produced water recycling operations.

H.B. 3516 amends current law relating to the regulation of the recycling of fluid oil and gas waste.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Railroad Commission of Texas is modified in SECTION 1 (Section 122.004, Natural Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 122.004, Natural Resources Code, as follows:

Sec. 122.004. COMMISSION RULES FOR TREATMENT AND BENEFICIAL USE.

(a) Creates this subsection from existing text and makes no further changes.

(b) Requires that rules adopted under this section encourage fluid oil and gas waste recycling for beneficial purposes, and establish standards for the issuance of permits for commercial recycling of fluid oil and gas waste.

(c) Requires the Railroad Commission of Texas (RRC), in adopting rules under this section, to consider previously adopted rules for recycling fluid oil and gas waste.

(d) Requires that rules adopted under this section for commercial recycling of fluid oil and gas waste establish minimum siting standards for fluid recycling pits; uniform technical, construction, and placement standards; uniform standards for estimating closure costs; minimum and maximum bonding and financial security amounts based on factors determined by RRC; and standards for sampling and analysis of fluid oil and gas waste.

(e) Requires RRC to approve or deny an application for a permit issued under rules adopted under this section not later than the 90th day after the date the complete application was received by RRC, unless a protest is filed with RRC, in which case RRC is authorized to extend the amount of time to approve or deny the application in order to allow for notice, public comment, and a public hearing on the application. Provides that if RRC does not approve or deny the application before that date, the permit application is considered approved and the applicant is authorized to operate under the terms specified in the application for a period of one year.

(f) Requires that an application requesting a variance from the standards adopted under this section be evaluated and determined to be substantially similar to previous variances approved by RRC.

SECTION 2. Effective date: September 1, 2021.