

Chapter 232

H.B. No. 129

AN ACT

1
2 relating to the manner in which a payor of proceeds derived from the
3 sale of oil or gas production is required to provide certain
4 information to a royalty interest owner.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Sections 91.501 and 91.506, Natural Resources
7 Code, are amended to read as follows:

8 Sec. 91.501. INFORMATION REQUIRED. If payment is made to a
9 royalty interest owner from the proceeds derived from the sale of
10 oil or gas production pursuant to a division order, lease,
11 servitude, or other agreement, the payor shall include the
12 information required by Section 91.502 on the check stub, an
13 attachment to the payment form, or another remittance advice that
14 accompanies the payment.

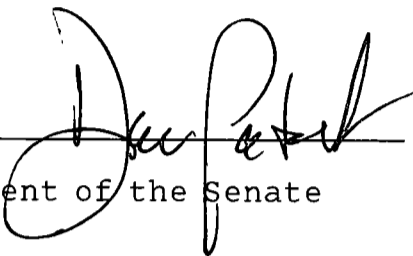
15 Sec. 91.506. EXEMPTION. (a) Except as provided by
16 Subsection (b), if [~~If~~] the information required by Section 91.502
17 is provided in some other manner on a monthly basis, the payor is
18 not required to include the information on the check stub, an
19 attachment to the payment form, or another [~~other~~] remittance
20 advice that accompanies the payment.

21 (b) If payment is made to the royalty interest owner by a
22 paper check delivered by mail or by means of a private delivery
23 service, the payor may not provide the information required by
24 Section 91.502 in a manner other than by including the information

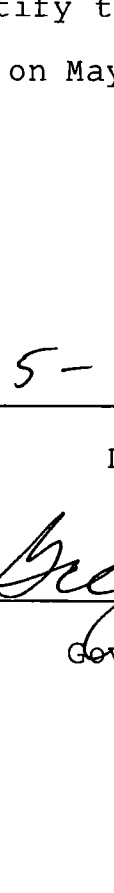
1 on the check stub, an attachment to the payment form, or another
2 remittance advice that accompanies the payment unless the payor
3 obtains, or a previous payor has obtained, the consent of the
4 royalty interest owner to provide the information in some other
5 manner.

6 SECTION 2. The change in law made by this Act applies only
7 to a payment made on or after the effective date of this Act to a
8 royalty interest owner from the proceeds derived from the sale of
9 oil or gas production. A payment made before the effective date of
10 this Act to a royalty interest owner from the proceeds derived from
11 the sale of oil or gas production is governed by the law in effect on
12 the date the payment is made, and the former law is continued in
13 effect for that purpose.

14 SECTION 3. This Act takes effect September 1, 2017.



President of the Senate



Speaker of the House

I certify that H.B. No. 129 was passed by the House on May 9, 2017, by the following vote: Yeas 147, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 129 on May 20, 2017, by the following vote: Yeas 133, Nays 0, 2 present, not voting.



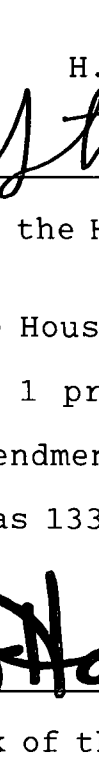
Chief Clerk of the House

I certify that H.B. No. 129 was passed by the Senate, with amendments, on May 19, 2017, by the following vote: Yeas 30, Nays 1.




Secretary of the Senate

APPROVED: 5-28-2017
Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
8:00 pm O'CLOCK
MAY 29 2017


Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 19, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB129 by Craddick (Relating to the manner in which a payor of proceeds derived from the sale of oil or gas production is required to provide certain information to a royalty interest owner.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to require the payor of oil and gas royalty payments by a paper check to obtain the consent of a royalty interest owner to provide certain required information. Based on the analysis of the Railroad Commission and the Comptroller of Public Accounts, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission

LBB Staff: UP, SD, SZ, PBO

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 17, 2017

TO: Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB129** by Craddick (relating to the manner in which a payor of proceeds derived from the sale of oil or gas production is required to provide certain information to a royalty interest owner.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to require the payor of oil and gas royalty payments by a paper check to obtain the consent of a royalty interest owner to provide certain required information. Based on the analysis of the Railroad Commission and the Comptroller of Public Accounts, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission

LBB Staff: UP, SZ, PBO

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 12, 2017

TO: Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB129** by Craddick (Relating to the manner in which a payor of proceeds derived from the sale of oil or gas production is required to provide certain information to a royalty interest owner.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to require the payor of oil and gas royalty payments by a paper check to obtain the written consent of a royalty interest owner to provide certain required information. Based on the analysis of the Railroad Commission and the Comptroller of Public Accounts, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission

LBB Staff: UP, SZ, PBO

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 11, 2017

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB129** by Craddick (relating to the manner in which a payor of proceeds derived from the sale of oil or gas production is required to provide certain information to a royalty interest owner.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to require the payor of oil and gas royalty payments by a paper check to obtain the written consent of a royalty interest owner to provide certain required information. Based on the analysis of the Railroad Commission and the Comptroller of Public Accounts, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission

LBB Staff: UP, SZ, PBO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 29, 2017

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB129** by Craddick (Relating to the manner in which a payor of proceeds derived from the sale of oil or gas production is required to provide certain information to a royalty interest owner.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to require the payor of oil and gas royalties to obtain the written consent of a royalty interest owner before omitting certain information from the payment remittance. Based on the analysis of the Railroad Commission and the Comptroller of Public Accounts, duties and responsibilities associated with implementing the provisions of the bill could be accomplished with existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission

LBB Staff: UP, SZ, MW, PBO