

November 16, 2018

The fun for the 2019 Session has begun. Here is what you need to know, including the number of bills filed so far...

On Monday, November 12, the **pre-filing of legislation** for the 2019 session began. See below Bills of Interest to oil and gas producers that have been filed this week, as of Noon on Friday. As of this writing, we have had 198 Senate Bills and 381 House Bills introduced.

On Monday, Rep. Bonnen (R-Angleton) held a press conference stating that he had the votes to become **Speaker**. There is still a Republican Caucus meeting to vote on Speaker, but unless something dramatically happens the Republican members of the House should vote for Bonnen as Speaker. He also has the support of a number of Democrats, as well. Rep. Tom Craddick (R-Midland), a former Speaker of the House, stood with Bonnen at the press conference. The 150-member House is now 83 Republicans and 67 Democrats.

Governor Abbott has called a **December 11 Special Election** to fill State Senator Garcia's (D-Houston) seat. Senator Garcia won the U.S. Congressional seat previously held by Gene Green. She has resigned her Senate Seat thereby triggering the Special Election. Key dates are: (1) The filing is today, November 16; and (2) Early voting starts Monday, November 26. If a runoff is necessary, state law says it has to be held on a Tuesday or Saturday between 12 and 25 days after the special election. Therefore, the 31-member Senate should be at full strength on the January 8 start of the 2019 Session, with 19 Republicans and 12 Democrats.

Bills of Interest that were filed the week of November 12. You can click on the Bill Number and it will take you to the state site. Once there you can pick whether you want to read the bill in a pdf format or word document. In the alternative, you can send us a note for a copy of the bill and we will send it to you. We are tracking a number of other bills, as well, but wanted to bring these to your attention.

[HB 42 by White](#). County Roads. Status: Introduced 11/12/18.

Summary. The Comptroller will remit 2% of the oil and gas severance tax back to each county based upon that county's oil and gas production. The "county may use money received under this section only to supplement construction and maintenance of county roads and bridges that are impacted by oil and gas exploration and production activities."

[HJR 13 by White](#). County Roads. Status: Introduced 11/12/18.

Summary. It is a constitutional amendment authorizing the legislature to allocate a portion of oil and gas production tax revenue to the counties from which the oil and gas originated. Resolves any constitutional issues with HB 42. Note if HJR 13 is not approved by the voters in the November 2019 election, then HB 42 has no effect.

[HB 279 by Craddick](#). Sales and Use Tax. Status: Introduced 11/12/18

Summary. Authorizes the Midland County Hospital District of Midland County, Texas, to impose a sales and use tax. Note that the Hospital District "may not adopt a tax under this subchapter or increase the rate of the tax if as a result of the adoption of the tax or the tax increase the combined rate of all sales and use taxes imposed by the district and all other political subdivisions of this state having territory in the district would exceed two percent in any location in the district." Increases must be "approved by a majority of the voters of the district at an election called for that purpose." You may want to forward a copy of this bill to your Tax Department for review and comment.

[SB185 by Miles](#). E&P. Introduced 11/14/18

Summary. "An operator of an oil or gas well shall: (1) give immediate notice of a fire, leak, spill, or break at the well to the appropriate commission oil and gas division district office; and (2) submit to the commission a

letter giving a full description of the event, including the volume of crude oil, gas, or other well liquids or gases lost.” Calls for development of Emergency Notice Alert System for “people in the area”. RRC and Texas Commission on Environmental Quality to make a determination as to whether uncontrolled release will substantially endanger human health or the environment and RRC, “not later than 30 minutes after making the determination, notify persons in the area”. Further provides for “all clear notice”, development of Alert System, registration to receive alerts, website link with most current information on event, chemicals release, illness symptoms and protection measures that should be taken. No wells may be drilled adjacent to well blowout if violation pending or alleged.