

## **BILL ANALYSIS**

Senate Research Center

H.B. 1047  
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Business & Commerce  
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Engrossed

### **DIGEST AND PURPOSE**

The San Miguel Electric Cooperative (cooperative) operates a lignite-burning electricity plant in Jourdanton, Texas. The cooperative has a contract with a large mining contractor to provide lignite from a surface mine for use in the generating plant. In accordance with current law, the two entities have an agreement whereby the mining company indemnifies the cooperative for accidents and injuries at the surface mine. H.B. 1047 exempts an electric cooperative corporation from the provisions regarding indemnity in certain mineral agreements.

### **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 Chapter 127, Civil Practice and Remedies Code, by adding Section 127.008, as follows:

Sec. 127.008. ELECTRIC COOPERATIVE CORPORATION. (a) Provides that this section applies to an electric cooperative corporation operating under Chapter 161, Utilities Code, that owns or leases real property to mine lignite using open pit surface mining methods.

(b) Provides that this chapter does not affect the right of an electric cooperative corporation described by Subsection (a) to secure indemnity from a lessee, operator, contractor, or other person who performs services for or provides materials or products to the corporation that relate to the lignite mining.

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