

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

SENATE BILL 47

5 By: Senator B. Pierce
6 By: Representatives Shepherd, Baine
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW REGARDING BRINE PRODUCTION;
10 TO AUTHORIZE THE ARKANSAS OIL AND GAS COMMISSION TO
11 FORM BRINE EXPANSION UNITS CONTAINING ONE (1) OR MORE
12 PRODUCTION WELLS OR BRINE INJECTION WELLS; TO PROTECT
13 THE CORRELATIVE RIGHTS OF BRINE PRODUCTION OWNERS IN
14 BRINE EXPANSION UNITS; TO CLARIFY THAT THE FORMULA TO
15 MAKE THE ANNUAL ADJUSTMENT TO THE IN-LIEU ROYALTY
16 PAYMENT FOR THE PRODUCTION OF BRINE SHALL BE BASED ON
17 THE PRODUCER PRICE INDEX FOR PROCESSED GOODS FOR
18 INTERMEDIATE DEMAND AS PUBLISHED BY THE UNITED STATES
19 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS; TO
20 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

21
22
23 TO AUTHORIZE THE ARKANSAS OIL AND GAS
24 COMMISSION TO FORM BRINE EXPANSION UNITS
25 CONTAINING ONE OR MORE BRINE PRODUCTION
26 WELLS OR BRINE INJECTION WELLS AND TO
27 CLARIFY THE ANNUAL ADJUSTMENT OF IN-LIEU
28 ROYALTY PAYMENTS.
29

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31
32 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
33

34 SECTION 1. Arkansas Code § 15-76-302 is amended to read as follows:

35 As used in this subchapter, ~~unless the context otherwise requires:~~

36 (1) "Aquifer" means any subsurface geological interval in which



1 brine may lie or from which brine is being produced and saved or sold for the
 2 primary purpose of extracting chemical substances contained ~~therein~~ in the
 3 subsurface geological interval;

4 (2)(A) "Brine" means salt water, whether contained in or removed
 5 from an aquifer, and all other chemical substances produced with or extracted
 6 from such salt water except for commercial production of oil and gas.

7 (B) "Brine" does not include brine produced as an incident
 8 to the production of oil and gas, unless the brine is saved or sold for the
 9 purpose of extracting the chemical substances ~~therein~~ in the brine, ~~shall not~~
 10 ~~be considered brine for purposes of this subchapter~~;

11 (3) "Brine expansion unit" means each separate composite area of
 12 land so designated by order of the commission as an expansion area for the
 13 production of brine or the injection of effluent;

14 ~~(3)(4)~~ (4) "Brine production unit" ~~or "unit"~~ means each separate
 15 composite area of land so designated by order of the commission for the
 16 production of brine and the injection of effluent;

17 ~~(4)(5)~~ (5) "Commission" means the Oil and Gas Commission;

18 ~~(5)(6)~~ (6) "Director" means the Director of Production and
 19 Conservation of the commission;

20 ~~(6)(7)~~ (7) "Effluent" means the liquid remaining after extraction
 21 of any chemical substances from brine and any other material or chemicals in
 22 solution therein or associated therewith;

23 ~~(7)(8)~~ (8) "Injection well" means a well utilized for injecting
 24 effluent or other substances into an aquifer for disposal purposes;

25 ~~(8)(9)~~ (9) "Just and equitable share of brine" of an owner in:

26 (A) ~~a developed unit~~ A brine production unit or brine
 27 expansion unit containing one (1) or more production wells is that part of
 28 the actual production of brine from the unit which is in the same proportion
 29 to the total production of brine from the unit as the interest of the owner
 30 in the brine of the unit expressed in surface acres is to the total surface
 31 acreage of the unit; and

32 (B) A brine expansion unit containing only one (1) or more
 33 injection wells is that part of the average production of brine from all
 34 production wells in the adjacent brine production unit that is in the same
 35 proportion to the average production as the interest of the owner in the
 36 brine of the brine expansion unit expressed in surface acres is to the total

1 surface acreage of the brine expansion unit;

2 ~~(9)~~(10) "Owner" means the person who has the right to drill
3 into and to produce brine from an aquifer and to appropriate the production
4 either for himself or for himself and another or others;

5 ~~(10)~~(11) "Person" means any natural person, corporation,
6 association, partnership, receiver, trustee, guardian, executor,
7 administrator, fiduciary, or representative of any kind;

8 ~~(11)~~(12) "Producer" means the owner of an existing well or wells
9 capable of producing brine, as well as any owner or owners who are capable
10 and willing to incur the capital investment required for purposes of
11 drilling, completing, and equipping the proposed well or wells within any
12 existing or proposed brine production unit; and

13 ~~(12)~~(13) "Waste" in addition to its ordinary meaning shall
14 include:

15 (A) Inefficient, excessive, or improper use or
16 dissipation of energy or alteration of fluid levels contained within an
17 aquifer; and the location, spacing, drilling, or operating of any producing
18 or injection well or wells in a manner which results in a significant
19 reduction in the economic recoverability of brine from an aquifer or the
20 chemical substances contained therein;

21 (B) Abuse of the correlative rights and opportunities of
22 each owner of brine in an aquifer due to nonuniform and disproportionate
23 withdrawals causing undue drainage between units;

24 (C) Injecting effluent or other wastes in a manner as to
25 cause unnecessary water channeling or undue forced migration of brine between
26 units;

27 (D) The undue drowning with effluent of any stratum or
28 part ~~thereof~~ of a stratum containing commercial quantities of oil or gas; or

29 (E) The employment of any practice with respect to brine
30 in an aquifer which results or tends to result in a significant reduction in
31 the economic recoverability of ~~such~~ the brine or the chemical substances
32 contained ~~therein~~ in the brine.

33
34 SECTION 2. Arkansas Code § 15-76-306(c), concerning the authority of
35 the Oil and Gas Commission to regulate brine production is amended to read as
36 follows:

1 (c) The commission shall have the authority to make, after hearing and
2 notice as provided in this section, such reasonable rules, regulations, and
3 orders as may be necessary from time to time in the proper administration and
4 enforcement of this subchapter, including rules, regulations, or orders for
5 the following purposes:

6 (1) To form brine production units and brine expansion units;

7 (2) To require the drilling, casing, and plugging of wells to be
8 done in such a manner as to prevent the escape of brine and effluent from one
9 stratum to another, to prevent the pollution of fresh water supplies by brine
10 and effluent, and to require reasonable financial assurance acceptable to the
11 commission conditioned for the performance of the duty to plug each dry hole
12 or abandoned well;

13 (3) To require the making of reports showing the location of
14 brine wells utilized for production and of injection wells used for disposal
15 and the filing of logs and drilling records for those wells;

16 (4) To require the return of the brine to the same formation
17 from which it was produced unless the commission authorizes the disposal of
18 effluent into one (1) or more other formations upon finding that neither
19 underground damage nor waste results ~~therefrom~~ from the disposal;

20 (5) To prevent the drowning by brine and effluent of any stratum
21 or part ~~thereof~~ of a stratum capable of producing oil or gas in paying
22 quantities;

23 (6) To prevent "blowouts", "caving", and "seepage" in the sense
24 that conditions indicated by these terms are generally understood;

25 (7) To identify the ownership of all wells utilized for
26 producing brine and of all injection wells and all pipelines, plants, ponds,
27 structures, and storage facilities;

28 (8) To regulate the "shooting", perforating, and chemical
29 treatment of wells;

30 (9) To regulate the introduction or injection of effluent and
31 other substances into an aquifer;

32 (10)(A) To regulate the spacing of wells for the production of
33 brine and injection wells for the introduction of effluent into an aquifer.

34 (B) However, the commission shall have no authority to
35 allow wells or other installations on the surface of lands without the
36 consent of the surface owner;

1 (11) To formulate rules and regulations for the proper
2 transportation of brine from the producing wells to the plant and from the
3 plant to the injection wells and for the maintenance and surveillance of the
4 transportation facilities; and

5 (12) To prevent, so far as is practical, reasonably avoidable
6 drainage between brine production units and brine expansion units.

7
8 SECTION 3. Arkansas Code § 15-76-308 is amended to read as follows:
9 15-76-308. Formation of brine production units.

10 (a)(1) All producers, as defined in § 15-76-302, may make application
11 to the Oil and Gas Commission for the establishment of brine production units
12 and brine expansion units.

13 (2) Each application shall be scheduled for public hearing by
14 the commission to be held no later than the next regularly scheduled hearing
15 of the commission that will afford proper notice to be given.

16 (b) A Unless a smaller area is requested by a petitioner and
17 established by order of the commission, a brine production unit or a brine
18 expansion unit established by order of the commission ~~hereunder~~ shall
19 comprise no fewer than one thousand two hundred eighty (1,280) contiguous
20 surface acres which are reasonably established to be underlain by a common
21 aquifer.

22 (c)(1) A proposed brine production unit shall be approved by the
23 commission if the existing or proposed plan of development is such as to
24 drain efficiently the area of the unit and to protect the correlative rights
25 of each owner therein.

26 (2) Each brine production unit as created by the commission
27 ~~hereunder~~ under this subchapter shall constitute a brine production unit as
28 long as a producing well is located therein which is capable of producing
29 brine in paying quantities.

30 (d)(1) A proposed brine expansion unit shall be approved by the
31 commission as a stand-alone unit if the existing or proposed plan of
32 development establishes that the operation of an existing brine production
33 unit can be expanded, enhanced, or made more efficient by the placement of
34 one (1) or more production wells or brine injection wells in an expanded area
35 immediately adjacent to the existing brine production unit, if the plan of
36 development is such as to:

1 (A) Drain efficiently the area of the brine expansion
 2 unit; and

3 (B) Protect the correlative rights of each owner of the
 4 brine expansion unit.

5 (2) Each brine expansion unit as created by the commission under
 6 this subchapter shall constitute a unit as long as a producing well is
 7 located within:

8 (A) The brine expansion unit; or

9 (B) The adjacent brine production unit that is capable of
 10 producing brine in paying quantities.

11
 12 SECTION 4. Arkansas Code § 15-76-309, concerning the formation of
 13 brine units is amended to read as follows:

14 15-76-309. Petition for formation of a brine production unit.

15 ~~(a)~~ A petition for formation of a brine production unit or a brine
 16 expansion unit may be filed by a producer and shall contain the following:

17 (1) A description of the proposed brine production unit or brine
 18 expansion unit;

19 (2) A statement of the plan of development and operation ~~thereof~~
 20 of the brine production unit or brine expansion unit;

21 (3) All geological and engineering data necessary for the Oil
 22 and Gas Commission to be fully advised of the feasibility of the proposed
 23 plan;

24 (4) A statement detailing all costs and expenses chargeable to
 25 the proposed brine production unit or a brine expansion unit and a statement
 26 of all credits due against costs and expenses;

27 (5) A plat of ~~such~~ each proposed brine production unit or brine
 28 expansion unit which indicates the tracts or parcels of land included ~~therein~~
 29 in the plat and the location of ~~all wells~~ each well then located within the
 30 proposed unit for ~~both~~ the production of brine and the injection or disposal
 31 of effluent and the proposed location of each well that is proposed to be
 32 drilled for ~~both~~ production and injection or disposal purposes;

33 (6) A list of owners within the unit, including the brine,
 34 interest and last known address of each such owner; and

35 (7)(A) A statement that the petitioner has valid and subsisting
 36 leases or otherwise owns or controls the right to produce brine from not less

1 than seventy-five percent (75%) of the entire area of the proposed brine
2 production unit or brine expansion unit.

3 (B) The petitioner may not combine its leases or other
4 rights to produce brine, relative to an ~~existing~~ adjacent brine production
5 unit or brine expansion unit, with leases or other rights to produce brine
6 necessary to achieve the seventy-five percent (75%) lease requirement to form
7 a separate ~~unit adjacent to the existing~~ brine production unit or brine
8 expansion unit.

9
10 SECTION 5. Arkansas Code § 15-76-311 is amended to read as follows:
11 15-76-311. Contents of order.

12 The order requiring the operation of an area as a brine production unit
13 or a brine expansion unit shall include:

14 (1) A description of the area included within such a brine
15 production unit or a brine expansion unit;

16 (2) The surface area of each tract in the proposed unit;

17 (3) A provision for any credits and charges to be made in the
18 adjustment among the owners in the unit for their allocated costs of the
19 total investment in ~~wells~~ each well within the unit, ~~both for production and~~
20 ~~injection or disposal purposes~~, pipelines, pumps, machinery, materials, and
21 equipment required by ~~such~~ the brine operation;

22 (4) A statement of the tangible and intangible expenses of the
23 development and operation of the unit, including capital investments required
24 in the development and operation ~~thereof~~ of the brine production unit or the
25 brine expansion unit, exclusive of the plant of the producer, to be charged
26 to each ~~tract~~ owner in the unit in the same proportion ~~that the tract shares~~
27 as the owner's net material interest in ~~the~~ brine production from ~~such~~ the
28 brine production unit or the brine expansion unit;

29 (5) The time and manner in which all owners in the unit who may
30 desire to pay their share of the costs outlined in subdivision (4) of this
31 section and participate in the operations of the unit may elect to do so;

32 (6)(A) The time at which the unit operation shall commence and
33 the approval by the Oil and Gas Commission of the plan of development and
34 operation of the unit, including, but not limited to, the number and proposed
35 location of ~~wells~~ each well to be drilled within such unit for ~~both~~
36 production and injection or disposal purposes and the approximate date upon

1 which the proposed plan of development is to be commenced and completed.

2 (B) However, the commission shall have no authority to
3 allow wells or other installations on the surface of lands without the
4 consent of the surface owner;

5 (7) The name of the operator who shall drill, complete, or
6 operate the well or wells within the unit; and

7 (8) Those additional provisions which are consistent with this
8 subchapter and which the commission determines to be appropriate for the
9 prevention of waste and the protection of correlative rights.

10
11 SECTION 6. Arkansas Code § 15-76-314 is amended to read as follows:
12 15-76-314. Participation by owners and royalties.

13 (a)(1) Upon the establishment of a unit, each owner of an unleased
14 interest ~~therein~~ in the unit shall elect within sixty (60) days from the
15 effective date of the order establishing ~~such~~ the unit either to participate
16 affirmatively in the operation of the unit and the production of brine
17 ~~therefrom~~ or to transfer his or her interest in the brine to the
18 participating producers thereof upon such terms as are ~~hereinafter~~
19 in this section.

20 (2) The election shall be made in writing to the operator as
21 otherwise provided in the order establishing the unit, provided that, if no
22 such written election is made within the sixty (60) days, the nonelecting
23 owner shall be deemed to have transferred ~~his or her~~ the nonelecting owner's
24 interest to the operator as provided ~~herein~~ in this section.

25 (b) If an owner of an unleased interest elects to participate, ~~he or~~
26 ~~she~~ the owner shall pay the owner's share of the costs set forth in § 15-76-
27 311 and agree to pay the owner's share of the additional costs to be incurred
28 in the drilling, equipping, and operating of each completed well within the
29 unit.

30 (c) A participating owner in a brine production unit shall have the
31 option, which shall be exercised at the time of the election to participate,
32 either to:

33 (1) Take ~~his or her~~ the participating owner's just and equitable
34 share of the brine produced from the unit in kind and, if required by the Oil
35 and Gas Commission, return it, after ~~his or her~~ the participating owner's
36 use, to disposal wells within the unit; or

1 (2) Receive the value of ~~his or her~~ the participating owner's
2 just and equitable share of the brine produced from the unit.

3 (d) A participating owner in a brine expansion unit containing one (1)
4 or more production wells shall have the option, which shall be exercised at
5 the time of the election to participate, either to:

6 (1) Take the participating owner's just and equitable share of
7 brine produced from the brine expansion unit in kind and, if required by the
8 commission, return it, after the participating owner's use, to injection
9 wells within the brine expansion unit or injection wells within the adjacent
10 brine production unit; or

11 (2) Receive the value of the participating owner's just and
12 equitable share of the brine produced from the participating owner's unit.

13 (e) A participating owner in a brine expansion unit containing only
14 one (1) or more injection wells shall have the option, which shall be
15 exercised at the time of the election to participate, either to:

16 (1)(A) Take in kind the participating owner's just and equitable
17 share of brine produced from a production well of his or her choice in the
18 adjacent brine production unit.

19 (B) However, the commission may require the participating
20 owner to return the brine, after the participating owner's use, to injection
21 wells within the adjacent brine production unit or injection wells within the
22 brine expansion unit; or

23 (2) Receive the equivalent value of the participating owner's
24 just and equitable share of brine based on the average production of brine
25 from all production wells in the adjacent brine production unit.

26 ~~(e)(f)(1)~~ If, at any time or for any reason, an owner who has elected
27 to participate defaults in any payments due and owing to the operator or by
28 written notice manifests his or her intention to withdraw from active
29 participation, the owner shall be deemed to have transferred all of his or
30 her interests and rights in the unit to the operator for a reasonable
31 consideration and on a reasonable basis which, in the absence of agreement
32 between the parties, shall be determined by the commission, ~~who~~ that, in
33 addition to the other consideration granted to the operator, shall assess a
34 penalty against the owner.

35 (2) The transfer may be either a permanent transfer or may be
36 for a limited period pending recoupment by the operator out of the share of

1 production attributable to the interest so transferred of an amount equal to
2 those costs that would have been borne by the transferring party had he or
3 she continued to participate in the operations conducted pursuant to the plan
4 of development plus an additional sum to be fixed by the commission.

5 ~~(d)~~(g)(1) If an owner elects not to participate affirmatively in the
6 development of the unit and the production of ~~the~~ brine, he or she shall be
7 deemed to have transferred his or her right to produce brine to the operator
8 for the period of time for which the unit is operative for a reasonable
9 consideration and on a reasonable basis which, in the absence of agreement
10 between the parties, shall be determined by the commission.

11 (2) Any transfer, the terms of which are established by the
12 commission, shall be either a permanent transfer or a transfer for a limited
13 period pending recoupment by the operator, from the nonparticipating owner's
14 just and equitable share of ~~the brine produced from the unit~~ brine
15 production, of an amount equal to those costs which the nonparticipating
16 owner would have borne had he or she elected to participate affirmatively in
17 the development of the unit and the production of brine ~~therefrom~~ plus an
18 additional amount assessed as a risk factor by the commission.

19 ~~(e)~~(h) Each owner of an unleased interest in a brine production unit
20 shall be deemed to be the owner of a royalty interest equal to one-eighth
21 (1/8) of the value of his or her just and equitable share of the brine
22 produced from the unit, and the royalty interest shall not be chargeable with
23 any of the costs of the development and operation of the unit.

24 (i) Each owner of an unleased interest in a brine expansion unit
25 containing one (1) or more production wells shall be deemed to be the owner
26 of a royalty interest equal to one eighth (1/8) of the value of the owner's
27 just and equitable share of the brine produced from the brine expansion unit,
28 and the royalty interest shall not be chargeable with any of the costs of the
29 development and operation of the brine expansion unit.

30 (j) Each owner of an unleased interest in a brine expansion unit
31 containing only one (1) or more injection wells shall be deemed to be the
32 owner of a royalty interest equal to one eighth (1/8) of the value of the
33 owner's just and equitable share of brine based on the average production of
34 brine from all production wells in the adjacent brine production unit, and
35 the royalty interest shall not be chargeable with any of the costs of the
36 development and operation of the brine expansion unit.

1 ~~(f)~~(k) The provisions of this section shall not alter, modify, or
 2 otherwise amend the terms of any lease or agreement with respect to payments
 3 of royalty or in lieu of royalty in force and effect as of July 20, 1979, or
 4 which may be executed after that date.

5
 6 SECTION 7. Arkansas Code § 15-76-315(a)(3), concerning the valuation
 7 of brine, is amended to read as follows:

8 (3) However, no valuation of brine or any other alternate method
 9 of computing royalty or in lieu of royalty shall ever result in compensation
 10 which is less than thirty-two dollars (\$32.00) per acre per year, as
 11 increased or decreased annually based on changes in the Producer Price Index
 12 for ~~Intermediate Materials, Supplies and Components~~ Processed goods for
 13 intermediate demand published by the United States Department of Labor,
 14 Bureau of Labor Statistics, or its successor.

15
 16 SECTION 8. Arkansas Code § 15-76-315(a)(4)(C), concerning the
 17 valuation of brine, is amended to read as follows:

18 (C) The formula to make the adjustment is as follows:
 19 New in-lieu royalty payment = Base in-lieu royalty payment multiplied times A
 20 divided by B

21 Where:

22 (i) Base in-lieu royalty payment = \$32.00 per acre;
 23 (ii)(a) A = Index for the month of December prior to
 24 the year the adjustment is made, as increased or decreased annually.

25 (b) The index is the Producer Price Index for
 26 ~~Intermediate Materials, Supplies and Components~~ Processed Goods for
 27 Intermediate Demand as published by the United States Department of Labor,
 28 Bureau of Labor Statistics, in Producer Price Indexes, Table 2 for ~~selected~~
 29 ~~commodity groupings~~ intermediate demand by commodity type; and

30 (iii) B = The March, 1995, Producer Price Index for
 31 Intermediate Materials, Supplies and Components as published by the United
 32 States Department of Labor, Bureau of Labor Statistics, in Producer Price
 33 Indexes, Table 2 for selected commodity groupings.

34
 35 SECTION 9. Arkansas Code § 15-76-315(b)(2)(A), concerning the
 36 valuation of brine, is amended to read as follows:

1 (2)(A) If there are no sales or purchases of brine for two (2) or more
 2 consecutive years, the value of brine for each consecutive year after the
 3 first year in which there are no such sales shall be the value initially
 4 determined ~~above~~ in subdivision (b)(1) of this section, increased or
 5 decreased annually using the Producer Price Index for ~~Intermediate Materials,~~
 6 ~~Supplies and Components~~ Processed goods for intermediate demand published by
 7 the United States Department of Labor, Bureau of Labor Statistics, in
 8 Producer Price Indexes, Table 2 for ~~selected commodity groupings~~ intermediate
 9 demand by commodity type.

10
 11 SECTION 10. Arkansas Code § 15-76-315(b)(3), concerning the valuation
 12 of brine, is amended to read as follows:

13 (3) For purposes of calculating the value of the royalty interest
 14 under § ~~15-76-314(e)~~ 15-76-314(h), the value of brine as initially determined
 15 and as increased or decreased under this subsection shall not be less than
 16 the value of brine as initially determined under this subsection by utilizing
 17 an average annual lease compensation or payment in lieu of royalty equivalent
 18 to thirty-two dollars (\$32.00) per acre.

19
 20 SECTION 11. Arkansas Code § 15-76-316 is amended to read as follows:

21 15-76-316. Production from tracts within unit.

22 The portion of ~~the~~ brine produced from ~~the~~ a unit created under this
 23 subchapter and allocated to any particular tract shall be deemed, for all
 24 purposes, to have been actually produced from that tract, and operations for
 25 the production of brine from any part of the unit conducted pursuant to the
 26 order of the Oil and Gas Commission shall be deemed for all purposes to be
 27 operations for the production of brine from each separate tract in the
 28 integrated area of the unit.

29
 30 SECTION 12. Arkansas Code § 15-76-317 is amended to read as follows:

31 15-76-317. Liability for unit expenses.

32 (a) The liability of each owner in a unit for the payment of unit
 33 expenses shall at all times be several and not joint or collective.

34 (b) In no event shall an owner in a unit be chargeable with, directly
 35 or indirectly, more than the amount charged to his or her interests in such
 36 unit pursuant to the order of the Oil and Gas Commission requiring the

1 operation of the area as a brine production unit or brine expansion unit.

2
3 SECTION 13. Arkansas Code § 15-76-320 is amended to read as follows:
4 15-76-320. Antitrust.

5 The formation of a brine production unit or brine expansion unit as
6 provided in this subchapter and the operation of the unit under order of the
7 Oil and Gas Commission shall not be a violation of any statute of this state
8 relating to trusts, monopolies, contracts, or combinations in restraint of
9 trade.

10
11 SECTION 14. EMERGENCY CLAUSE. It is found and determined by the
12 General Assembly of the State of Arkansas that the brine production industry
13 faces imminent financial constraints; that the creation of brine expansion
14 units will mitigate the expected impact of those constraints; and that this
15 act is immediately necessary because production of brine will suffer each day
16 that brine expansion units are not available. Therefore, an emergency is
17 declared to exist, and this act being immediately necessary for the
18 preservation of the public peace, health, and safety shall become effective
19 on:

20 (1) The date of its approval by the Governor;

21 (2) If the bill is neither approved nor vetoed by the Governor,
22 the expiration of the period of time during which the Governor may veto the
23 bill; or

24 (3) If the bill is vetoed by the Governor and the veto is
25 overridden, the date the last house overrides the veto.