

## **BILL ANALYSIS**

S.B. 1293  
By: Hegar  
Energy Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

In its review of the Railroad Commission of Texas, the Sunset Advisory Commission found that current enforcement processes hinder the railroad commission's ability to prevent future threats to the environment and public safety. The sunset commission noted that enforcement action or fines play an important role in deterring future violations of law. S.B. 1293 seeks to address the sunset commission's concerns by increasing the amount of certain penalties for violations relating to certain pipelines.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1293 amends the Natural Resources Code to prohibit the civil penalty authorized under provisions of law relating to an administrative penalty assessed by the Railroad Commission of Texas from exceeding \$25,000 per day for each violation that is not related to pipeline safety, or \$100,000 per day for each violation that is related to pipeline safety. The bill removes language capping the penalty at \$10,000 per day for each violation relating to oil and gas provisions which pertain to safety or the prevention or control of pollution.

S.B. 1293 increases from \$25,000 to \$100,000 the cap on the civil penalty to which a person who violates provisions of law relating to the hazardous liquid or carbon dioxide pipeline transportation industry or a rule adopted by the commission under those provisions is subject for each act of violation and for each day of violation. The bill increases from \$500,000 to \$1 million the cap on the civil penalty that is authorized to be assessed for any related series of such violations.

S.B. 1293 increases from \$25,000 to \$1 million the cap on the fine by which the offense of intentionally violating provisions of law relating to the hazardous liquid or carbon dioxide pipeline transportation industry or a rule adopted under those provisions is punishable. The bill increases from \$25,000 to \$1 million the cap on the fine by which the offense of intentionally injuring or destroying or attempting to injure or destroy any pipeline facility in Texas is punishable.

S.B. 1293 amends the Utilities Code to increase from \$25,000 to \$100,000 the cap on the civil penalty to which each day of each violation of a safety standard adopted under provisions of law relating to gas pipeline safety is subject and increases from \$500,000 to \$1 million the cap on the civil penalty that is authorized to be assessed for any related series of such violations. The bill increases from \$10,000 to \$100,000 the cap on the administrative penalty authorized to be assessed against a person for each violation of provisions of law relating to gas pipeline safety rules or a safety standard or other rule prescribed or adopted under those provisions.

S.B. 1293 increases from \$100 to \$1,000 the minimum civil penalty and from \$1,000 to \$100,000 the maximum civil penalty to which a gas utility is subject for each violation or failure if the gas utility violates provisions of law relating to gas pipelines, fails to perform a duty imposed by those provisions, or fails to comply with an order of the commission if the order is not stayed or suspended by a court order. The bill increases from \$10,000 to \$100,000 the cap on the administrative penalty that the commission is authorized to assess daily for each of those violations or failures if the violation results in pollution of the air or water of Texas or poses a threat to public safety.

S.B. 1293 increases from \$1,000 to \$1 million the cap on the fine by which the offense of wilfully violating provisions of law relating to gas pipelines or the gas utility pipeline tax is punishable if the person committing the offense is an owner, officer, director, agent, or employee of a person or corporation owning, operating, or controlling a pipeline of a gas utility. The bill makes a nonsubstantive change.

**EFFECTIVE DATE**

September 1, 2011.