AN ACT

relating to the amounts of the administrative, civil, and criminal penalties for violating certain statutes under the jurisdiction of, rules or orders adopted by, or licenses, permits, or certificates issued by the Railroad Commission of Texas.

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

SECTION 1. Section 81.0531, Natural Resources Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) The penalty may not exceed:

(1) $10,000 a day for each violation that is not related to pipeline safety; or

(2) $200,000 a day for each violation that is related to pipeline safety.

(b-1) Each day a violation continues may be considered a separate violation for purposes of penalty assessments, provided that the maximum penalty that may be assessed for any related series of violations related to pipeline safety may not exceed $2 million.

SECTION 2. Section 117.051, Natural Resources Code, is amended to read as follows:

Sec. 117.051. CIVIL PENALTY. A person who violates this chapter or a rule adopted by the commission under this chapter is subject to a civil penalty of not [less than $50 nor] more than $200,000 [$25,000] for each act of violation and for each day of
violation, provided that the maximum civil penalty that may be assessed for any related series of violations may not exceed $2 million [$500,000].

SECTION 3. Section 117.053, Natural Resources Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) An offense under this section is punishable by a fine of not more than $2 million [$25,000], confinement in the Texas Department of Criminal Justice for a term of not more than five years, or both such fine and imprisonment.

(c) In the prosecution of a defendant for multiple offenses under this section, all of the offenses are considered to be part of the same criminal episode, and as required by Section 3.03, Penal Code, the sentences of confinement shall run concurrently. Additionally, the cumulative total of fines imposed under this section may not exceed the maximum amount imposed on conviction of a single offense under this section.

SECTION 4. Section 117.054, Natural Resources Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) An offense under this section is punishable by a fine of not more than $2 million [$25,000], confinement in the Texas Department of Criminal Justice for a term of not more than five years, or both such fine and imprisonment.

(c) In the prosecution of a defendant for multiple offenses under this section, all of the offenses are considered to be part of the same criminal episode, and as required by Section 3.03, Penal Code, the sentences of confinement shall run concurrently.
Code, the sentences of confinement shall run concurrently. Additionally, the cumulative total of fines imposed under this section may not exceed the maximum amount imposed on conviction of a single offense under this section.

SECTION 5. Section 121.007, Utilities Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) A person who owns or operates a natural gas pipeline, a liquefied natural gas pipeline, or an underground storage facility is not a gas utility if the person certifies to the railroad commission that the person uses the pipeline or underground storage facility solely to deliver natural gas or liquefied natural gas or the constituents of natural gas or liquefied natural gas:

(1) to a liquefied natural gas marine terminal;
(2) from a liquefied natural gas marine terminal to the owner of the gas or another person on behalf of the owner of the gas;
(3) that is acquired, liquefied, or sold by the person as necessary for the operation or maintenance of its facility that is excluded as a gas utility under this section; or
(4) that has been stored for export.

(c) This section does not create an exception to the applicability of a pipeline safety requirement provided under this chapter or a penalty for a violation of such a requirement.

SECTION 6. Section 121.204, Utilities Code, is amended to read as follows:
Sec. 121.204. CIVIL PENALTY. Each day of each violation of a safety standard adopted under this subchapter is subject to a civil penalty of not more than $200,000 [$25,000], except that the maximum penalty that may be assessed for any related series of violations may not exceed $2 million [$500,000]. The penalty is payable to the state.

SECTION 7. Subsection (b), Section 121.206, Utilities Code, is amended to read as follows:

(b) The penalty for each violation may not exceed $200,000 [$10,000]. Each day a violation continues may be considered a separate violation for the purpose of penalty assessment, provided that the maximum penalty that may be assessed for any related series of violations may not exceed $2 million.

SECTION 8. Section 121.302, Utilities Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A gas utility is subject to a civil penalty if the gas utility:

(1) violates this chapter;

(2) fails to perform a duty imposed by this chapter; or

(3) fails to comply with an order of the railroad commission if the order is not stayed or suspended by a court order.

(a-1) A penalty under this section is payable to the state and shall be:

(1) not less than $100 and not more than $1,000 for each violation or failure that is not related to pipeline safety; or

(2) not more than $200,000 for each violation or
failure that is related to pipeline safety, provided that the
maximum penalty that may be assessed for any related series of
violations related to pipeline safety may not exceed $2 million.

SECTION 9. Subsection (b), Section 121.304, Utilities Code,
is amended to read as follows:

(b) The penalty for each violation or failure that is not
related to pipeline safety may not exceed $10,000 a day. The
penalty for each violation or failure that is related to pipeline
safety may not exceed $200,000 a day. Each day a violation
continues may be considered a separate violation for purposes of
penalty assessment, provided that the maximum penalty that may be
assessed for any related series of violations related to pipeline
safety may not exceed $2 million.

SECTION 10. Section 121.310, Utilities Code, is amended by
amending Subsection (b) and adding Subsection (c) to read as
follows:

(b) An offense under this section that is not related to
pipeline safety is punishable by a fine of not less than $50 and not
more than $1,000. An offense under this section that is related to
pipeline safety is punishable by a fine of not more than $2 million.
In addition to the fine, the offense may be punishable by
confinement in jail for not less than 10 days nor more than six
months.

(c) In the prosecution of a defendant for multiple offenses
under this section, all of the offenses related to pipeline safety
are considered to be part of the same criminal episode, and as
required by Section 3.03, Penal Code, the sentences of confinement
shall run concurrently. Additionally, the cumulative total of fines imposed under this section for offenses related to pipeline safety may not exceed the maximum amount imposed on conviction of a single offense under this section.

SECTION 11. The changes in law made by this Act apply only to a violation committed on or after the effective date of this Act. A violation committed before the effective date of this Act is governed by the law in effect when the violation was committed, and the former law is continued in effect for that purpose. For purposes of this section, a violation was committed before the effective date of this Act if any element of the violation was committed before that date.

SECTION 12. This Act takes effect September 1, 2013.
S.B. No. 900

President of the Senate                                  Speaker of the House
I hereby certify that S.B. No. 900 passed the Senate on April 17, 2013, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 7, 2013, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate
I hereby certify that S.B. No. 900 passed the House, with amendment, on April 30, 2013, by the following vote: Yeas 133, Nays 5, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor