

1-1 By: Fraser S.B. No. 900
1-2 (In the Senate - Filed February 27, 2013; March 5, 2013,
1-3 read first time and referred to Committee on Natural Resources;
1-4 April 11, 2013, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 11, 2013,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Fraser	X		
1-10	Estes	X		
1-11	Deuell	X		
1-12	Duncan	X		
1-13	Ellis	X		
1-14	Eltife		X	
1-15	Hegar	X		
1-16	Hinojosa		X	
1-17	Nichols	X		
1-18	Seliger	X		
1-19	Uresti	X		

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 900 By: Fraser

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the amounts of the administrative, civil, and criminal
1-24 penalties for violating certain statutes under the jurisdiction of,
1-25 rules or orders adopted by, or licenses, permits, or certificates
1-26 issued by the Railroad Commission of Texas.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Section 81.0531, Natural Resources Code, is
1-29 amended by amending Subsection (b) and adding Subsection (b-1) to
1-30 read as follows:

1-31 (b) The penalty may not exceed:

1-32 (1) \$10,000 a day for each violation that is not
1-33 related to pipeline safety; or

1-34 (2) \$200,000 a day for each violation that is related
1-35 to pipeline safety.

1-36 (b-1) Each day a violation continues may be considered a
1-37 separate violation for purposes of penalty assessments, provided
1-38 that the maximum penalty that may be assessed for any related series
1-39 of violations related to pipeline safety may not exceed \$2 million.

1-40 SECTION 2. Section 117.051, Natural Resources Code, is
1-41 amended to read as follows:

1-42 Sec. 117.051. CIVIL PENALTY. A person who violates this
1-43 chapter or a rule adopted by the commission under this chapter is
1-44 subject to a civil penalty of not ~~[less than \$50 nor]~~ more than
1-45 \$200,000 ~~[\$25,000]~~ for each act of violation and for each day of
1-46 violation, provided that the maximum civil penalty that may be
1-47 assessed for any related series of violations may not exceed \$2
1-48 million ~~[\$500,000]~~.

1-49 SECTION 3. Section 117.053, Natural Resources Code, is
1-50 amended by amending Subsection (b) and adding Subsection (c) to
1-51 read as follows:

1-52 (b) An offense under this section is punishable by a fine of
1-53 not more than \$2 million ~~[\$25,000]~~, confinement in the Texas
1-54 Department of Criminal Justice for a term of not more than five
1-55 years, or both such fine and imprisonment.

1-56 (c) In the prosecution of a defendant for multiple offenses
1-57 under this section, all of the offenses are considered to be part of
1-58 the same criminal episode, and as required by Section 3.03, Penal
1-59 Code, the sentences of confinement shall run concurrently.
1-60 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 [~~15~~] 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 5. 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 6. 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 7. 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 8. 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 9. 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 10. 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 11. This Act takes effect September 1, 2013.

* * * * *