

BILL ANALYSIS

Senate Research Center

H.B. 3291
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Natural Resources & Economic Development
5/8/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The rapid increase of oil and gas production in rural Texas has created more opportunities for oil field theft. The FBI-led Oilfield Theft Task Force in Midland estimates that the region averages between \$400,000 and \$800,000 a month in theft. The purpose of this legislation is to reduce the prevalence of this crime by creating an offense for stealing oil, gas, pipeline equipment, or oil and gas equipment or for buying such equipment that was stolen.

H.B. 3291 amends Chapter 85 (Conservation of Oil and Gas), Natural Resources Code, to enhance the penalty of the offense of the theft of crude oil or oil and gas pipeline and equipment from a third degree felony to a second degree felony.

H.B. 3291 amends current law relating to increasing the punishment for certain offenses involving oil, gas, or condensate or equipment designed for the exploration or production of oil and gas; creating an offense.

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 Section 85.389, Natural Resources Code, by amending Subsection (b) and adding Subsections (c) and (d), as follows:

(b) Provides that a person commits an offense if the person purchases or sells oil, gas, or condensate without the applicable tender, authorization, or permit of the Texas Railroad Commission (railroad commission) relating to oil or gas or a product or byproduct of oil or gas.

(c) Provides that Subsection (b) does not apply to a pipeline operator or gatherer that is authorized to operate by the railroad commission.

(d) Provides that an offense under this section is a felony of the second degree, rather than third degree. Creates this subsection from existing text.

SECTION 2. Amends Section 31.03(e), Penal Code, to provide that, except as provided by Subsection (f), an offense under this section is:

(1)-(4) Makes no change to these subdivisions;

(5) a felony of the third degree if:

(A) the value of the property stolen is \$20,000 or more but less than \$100,000, including property consisting of oil, gas, condensate, oil and gas equipment, or pipeline equipment; or

(B) creates this paragraph from existing text;

(i) Redesignates existing Paragraph (A) as Subparagraph (i);

(ii) Redesignates existing Paragraph (B) as Subparagraph (ii).

(6) and (7) Makes no change to these subdivisions.

SECTION 3. Amends Section 31.03(h), Penal Code, by adding Subdivisions (5), (6), and (7), to define "oil and gas equipment," "pipeline equipment," "oil," "gas," and "condensate."

SECTION 4. Provides that the change in law made by this Act applies only to an offense committed on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2015.