

SENATE AMENDMENTS

2nd Printing

By: Raymond

H.B. No. 3291

A BILL TO BE ENTITLED

1 AN ACT

2 relating to increasing the punishment for certain offenses
3 involving oil, gas, or condensate or equipment designed for the
4 exploration or production of oil and gas; creating an offense.

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

6 SECTION 1. Section 85.389, Natural Resources Code, is
7 amended by amending Subsection (b) and adding Subsections (c) and
8 (d) to read as follows:

9 (b) A person commits an offense if the person purchases or
10 sells oil, gas, or condensate without the applicable tender,
11 authorization, or permit of the commission relating to oil or gas or
12 a product or byproduct of oil or gas.

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

15 (d) An offense under this section is a felony of the second
16 [~~third~~] degree.

17 SECTION 2. Section 31.03(e), Penal Code, is amended to read
18 as follows:

19 (e) Except as provided by Subsection (f), an offense under
20 this section is:

21 (1) a Class C misdemeanor if the value of the property
22 stolen is less than:

23 (A) \$50; or

24 (B) \$20 and the defendant obtained the property

1 by issuing or passing a check or similar sight order in a manner
2 described by Section 31.06;

3 (2) a Class B misdemeanor if:

4 (A) the value of the property stolen is:

5 (i) \$50 or more but less than \$500; or

6 (ii) \$20 or more but less than \$500 and the
7 defendant obtained the property by issuing or passing a check or
8 similar sight order in a manner described by Section 31.06;

9 (B) the value of the property stolen is less
10 than:

11 (i) \$50 and the defendant has previously
12 been convicted of any grade of theft; or

13 (ii) \$20, the defendant has previously been
14 convicted of any grade of theft, and the defendant obtained the
15 property by issuing or passing a check or similar sight order in a
16 manner described by Section 31.06; or

17 (C) the property stolen is a driver's license,
18 commercial driver's license, or personal identification
19 certificate issued by this state or another state;

20 (3) a Class A misdemeanor if the value of the property
21 stolen is \$500 or more but less than \$1,500;

22 (4) a state jail felony if:

23 (A) the value of the property stolen is \$1,500 or
24 more but less than \$20,000, or the property is less than 10 head of
25 sheep, swine, or goats or any part thereof under the value of
26 \$20,000;

27 (B) regardless of value, the property is stolen

1 from the person of another or from a human corpse or grave,
2 including property that is a military grave marker;

3 (C) the property stolen is a firearm, as defined
4 by Section 46.01;

5 (D) the value of the property stolen is less than
6 \$1,500 and the defendant has been previously convicted two or more
7 times of any grade of theft;

8 (E) the property stolen is an official ballot or
9 official carrier envelope for an election; or

10 (F) the value of the property stolen is less than
11 \$20,000 and the property stolen is:

12 (i) aluminum;

13 (ii) bronze;

14 (iii) copper; or

15 (iv) brass;

16 (5) a felony of the third degree if:

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

20 or

21 (B) the property is:

22 (i) [~~A~~] cattle, horses, or exotic
23 livestock or exotic fowl as defined by Section 142.001, Agriculture
24 Code, stolen during a single transaction and having an aggregate
25 value of less than \$100,000; or

26 (ii) [~~B~~] 10 or more head of sheep, swine,
27 or goats stolen during a single transaction and having an aggregate

1 value of less than \$100,000;

2 (6) a felony of the second degree if:

3 (A) the value of the property stolen is \$100,000
4 or more but less than \$200,000; or

5 (B) the value of the property stolen is less than
6 \$200,000 and the property stolen is an automated teller machine or
7 the contents or components of an automated teller machine; or

8 (7) a felony of the first degree if the value of the
9 property stolen is \$200,000 or more.

10 SECTION 3. Section 31.03(h), Penal Code, is amended by
11 adding Subdivisions (5), (6), and (7) to read as follows:

12 (5) "Oil and gas equipment" and "pipeline equipment"
13 have the meanings assigned by Section 112.001, Natural Resources
14 Code.

15 (6) "Oil" and "gas" have the meanings assigned by
16 Section 115.001, Natural Resources Code.

17 (7) "Condensate" has the meaning assigned by Section
18 201.001, Tax Code.

19 SECTION 4. The change in law made by this Act applies only
20 to an offense committed on or after the effective date of this Act.
21 An offense committed before the effective date of this Act is
22 governed by the law in effect on the date the offense was committed,
23 and the former law is continued in effect for that purpose. For
24 purposes of this section, an offense was committed before the
25 effective date of this Act if any element of the offense occurred
26 before that date.

27 SECTION 5. This Act takes effect September 1, 2015.

MAY 22 2015

Atty Gen
Secretary of the Senate

By: Zaffirini

H.B. No. 3291

Substitute the following for ___B. No. ___:

By: Zaffirini

C.S. H.B. No. 3291

A BILL TO BE ENTITLED

1 AN ACT
2 relating to transactions involving oil, gas, or condensate;
3 creating a criminal offense.

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

5 SECTION 1. Subchapter K, Chapter 85, Natural Resources
6 Code, is amended by adding Section 85.390 to read as follows:

7 Sec. 85.390. TRANSACTION WITHOUT APPROVAL, AUTHORIZATION,
8 OR PERMIT. (a) A person who is not a pipeline operator or
9 gatherer authorized to operate by the commission commits an
10 offense if the person recklessly possesses, transports, removes,
11 delivers, accepts, purchases, sells, or physically moves oil,
12 gas, or condensate as part of a transaction for which the
13 commission requires a permit or commission approval or
14 authorization unless the commission has:

15 (1) issued a permit, approval, or authorization for
16 the transaction; or

17 (2) received a request for a permit, approval, or
18 authorization for the transaction and the request is pending
19 before the commission.

20 (b) An offense under this section is a felony of the second
21 degree.

22 SECTION 2. This Act takes effect September 1, 2015.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 22, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (Relating to transactions involving oil, gas, or condensate; creating a criminal offense.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to create a second degree felony offense related to certain unauthorized activity related to oil, gas, or condensate. Expanding the types of behaviors subject to criminal penalties is expected to result in increased demands upon the correctional resources of the state due to additional persons potentially placed under felony community supervision or admitted into state correctional institutions. However, this analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SD, SZ, LM, ESi

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 15, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3291** by Raymond (relating to transactions involving oil, gas, or condensate; creating a criminal offense.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to create a second degree felony offense related to certain unauthorized activity related to oil, gas, or condensate. Expanding the types of behaviors subject to criminal penalties is expected to result in increased demands upon the correctional resources of the state due to additional persons potentially placed under felony community supervision or admitted into state correctional institutions. However, this analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, LM, ESi

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 2, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (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.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing or selling certain oil and gas-related products without applicable tenders, authorization, or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony. This analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, LM, ESi, MW, TB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 14, 2015

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (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.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Penal Code to enhance the criminal punishment for certain thefts related to oil and gas and oil and gas equipment. Under current law, the thefts applicable to the bill are prosecuted as a state jail felony, third degree felony, or second degree felony depending on the circumstances of the offense. The bill's provisions indicate all of the applicable offenses would be prosecuted as a second degree felony, unless the offense was committed under certain circumstances, in which it would be prosecuted at a first degree felony.

The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing certain oil and gas-related products without applicable tenders or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony.

The Railroad Commission of Texas estimates approximately 30-60 offenses subject to the bill's theft-related provisions occur per year. Increasing the penalty for any criminal offense and creating an offense are expected to result in increased demands upon the state correctional resources. However, due to the limited estimated number of offenses applicable to the bill's provisions, this analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, LM, ESi, MW, TB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 3, 2015

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3291** by Raymond (Relating to the creation of the offense of theft of pipeline equipment, oil and gas equipment, oil, gas, or condensate and the unauthorized purchase or sale of oil, gas, or condensate.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Penal Code to enhance the criminal punishment for certain thefts related to oil and gas and oil and gas equipment. Under current law, the thefts applicable to the bill are prosecuted as a state jail felony, third degree felony, or second degree felony depending on the circumstances of the offense. The bill's provisions indicate all of the applicable offenses would be prosecuted as a second degree felony.

The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing certain oil and gas-related products without required registration or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony.

The Railroad Commission of Texas estimates approximately 30-60 offenses subject to the bill's theft-related provisions occur per year. Increasing the penalty for any criminal offense and creating an offense is expected to result in increased demands upon the correctional resources of the state due to longer terms of probation, or longer terms of confinement in prison. However, due to the limited estimated number of offenses applicable to the bill's provisions, this analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, LM, ESi, MW, TB

LEGISLATIVE BUDGET BOARD
Austin, Texas

CRIMINAL JUSTICE IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

May 18, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3291** by Raymond (relating to transactions involving oil, gas, or condensate; creating a criminal offense.), **Committee Report 2nd House, Substituted**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Natural Resources Code to create a new second degree felony offense related to certain unauthorized activity related to oil, gas, or condensate.

Expanding the types of behaviors subject to criminal penalties is expected to result in increased demands upon the correctional resources of the state due to additional persons potentially placed under felony community supervision or admitted into state correctional institutions. However, this analysis assumes the provisions of the bill would not significantly impact state correctional populations, programs, or workloads.

Source Agencies:

LBB Staff: UP, LM, ESi

LEGISLATIVE BUDGET BOARD
Austin, Texas

CRIMINAL JUSTICE IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

May 2, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (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.), **As Engrossed**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing certain oil and gas-related products without applicable tenders or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony.

In fiscal year 2014, 19 people were arrested, fewer than 10 were placed on felony community supervision, and fewer than 10 were admitted to state correctional institutions for the existing oil and gas-related offense referenced in the bill which would be enhanced from a third degree felony to a second degree felony. Data are not available to indicate the prevalence of the behavior described by the new offense included in the bill. However, this analysis assumes the provisions of the bill would not significantly impact state correctional populations, programs, or workloads.

Source Agencies:

LBB Staff: UP, LM, ESi

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

CRIMINAL JUSTICE IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

April 15, 2015

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (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.), **Committee Report 1st House, Substituted**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Penal Code to enhance the criminal punishment for certain thefts related to oil and gas and oil and gas equipment. Under current law, the thefts applicable to the bill are prosecuted as a state jail felony, third degree felony, or second degree felony depending on the circumstances of the offense. The bill's provisions would enhance all of the applicable offenses to a second degree felony, unless the offense was committed under certain circumstances, in which it would be prosecuted as a first degree felony.

The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing certain oil and gas-related products without applicable tenders or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony.

The Railroad Commission of Texas estimates approximately 30-60 offenses subject to the bill's theft-related provisions occur per year. In fiscal year 2014, 19 people were arrested, fewer than 10 were placed on felony community supervision, and fewer than 10 were admitted to state correctional institutions for the existing oil and gas-related offense referenced in the bill which would be enhanced from a third degree felony to a second degree felony. Due to the limited estimated number of offenses applicable to the bill's provisions, this analysis assumes the provisions of the bill would not significantly impact state correctional populations, programs, or workloads.

Source Agencies:

LBB Staff: UP, LM, ESi

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

CRIMINAL JUSTICE IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

April 5, 2015

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (Relating to the creation of the offense of theft of pipeline equipment, oil and gas equipment, oil, gas, or condensate and the unauthorized purchase or sale of oil, gas, or condensate.), **As Introduced**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Penal Code to enhance the criminal punishment for certain thefts related to oil and gas and oil and gas equipment. Under current law, the thefts applicable to the bill are prosecuted as a state jail felony, third degree felony, or second degree felony depending on the circumstances of the offense. The bill's provisions would enhance all of the applicable offenses to a second degree felony.

The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing certain oil and gas-related products without required registration or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony.

The Railroad Commission of Texas estimates approximately 30-60 offenses subject to the bill's theft-related provisions occur per year. In fiscal year 2014, 19 people were arrested, fewer than 10 were placed on felony community supervision, and fewer than 10 were admitted to state correctional institutions for the existing oil and gas-related offense referenced in the bill which would be enhanced from a third degree felony to a second degree felony. Due to the limited estimated number of offenses applicable to the bill's provisions, this analysis assumes the provisions of the bill would not significantly impact state correctional populations, programs, or workloads.

Source Agencies:

LBB Staff: UP, LM, ESi