

## **BILL ANALYSIS**

C.S.H.B. 1772  
By: Ashby  
Agriculture & Livestock  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

There has been a rise in legal issues regarding the process of growing, delivering, and manufacturing timber products in Texas, such as fraudulent bills of sale being used to illegally obtain timber from a sawmill. In a recent case, three truck drivers were hired to haul wood from a producer to a wood mill, but the drivers falsified documents in order to receive the money from the transaction and cut out their employer. C.S.H.B. 1772 seeks to address the issue of perpetrators using fraudulent bills of sale to obtain or sell timber illegally by establishing stronger statutory protections regarding required documentation and a related criminal penalty.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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**

C.S.H.B. 1772 amends the Natural Resources Code to revise the information to be included, as applicable, in a bill of sale for trees, timber, logs, pulpwood, or in-woods chips by, as follows:

- replacing the description of the applicable survey or tract of land with a legal survey, abstract, and tract number of the tract of land; and
- specifying that the information from which the identity of the tract of land may be ascertained includes the property address or GPS coordinates.

The bill extends the period that a purchaser is required to retain a bill of sale following the later of the date of execution of the bill of sale or the expiration date referenced in the bill of sale from two years to five years. The extension applies only to the bill of sale for a transaction for which the date of execution of the bill of sale or the expiration date referenced in the bill of sale occurs on or after the bill's effective date.

C.S.H.B. 1772 requires a timber purchaser who purchases timber on a pay-per-unit sale to provide documentation to the beneficiary that proves delivery for any product delivered to a mill, wood yard, transfer yard, or storage yard. The bill specifies the information that must be included in the documentation and requires the documentation to be provided on or before the 45th day after the date the product is delivered. The bill adds information relating to this required documentation to the notice concerning the sale or purchase of trees or timber that is required to be posted by a wood yard, transfer yard, mill site, and storage yard.

C.S.H.B. 1772 makes a timber purchaser who knowingly fails to properly provide the documentation required by the bill guilty of a misdemeanor and subjects the purchaser on conviction to a maximum fine of \$500 for each offense.

C.S.H.B. 1772 makes a timber purchaser, or a firm, partnership, or agent acting on a timber purchaser's behalf, who knowingly provides false information in the documentation, and a seller, or a firm, partnership, or agent acting on the seller's behalf, who knowingly provides in the bill of sale applicable false information, guilty of a misdemeanor and subjects the entity on conviction to a maximum fine of \$500 for each offense. The bill enhances the penalty to the following if an offense under these provisions of the bill was committed to conceal or to attempt to conceal an offense relating to harvesting standing timber without an owner's permission or an offense relating to diversion of timber trust money by a trustee:

- a state jail felony if it is shown on the trial of the offense that the value of the timber purchased is at least \$500 but less than \$20,000;
- a felony of the third degree if it is shown on the trial of the offense that the value of the timber purchased is at least \$20,000 but less than \$100,000;
- a felony of the second degree if it is shown on the trial of the offense that the value of the timber purchased is at least \$100,000 but less than \$200,000; or
- a felony of the first degree if it is shown on the trial of the offense that the value of the timber purchased is at least \$200,000.

### **EFFECTIVE DATE**

September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 1772 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes provisions relating to the following that were absent in the introduced:

- provisions revising information to be included in a bill of sale for trees, timber, logs, pulpwood, or in-woods chips;
- provisions relating to the extension of the period that a purchaser is required to retain a bill of sale; and
- provisions relating to the offense for a seller, or a firm, partnership, or agent acting on the seller's behalf, who knowingly provides applicable false information in a bill of sale.