

BILL ANALYSIS

C.S.H.B. 48
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Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that oilfield theft is an escalating problem in Texas that costs the oil and gas industry millions of dollars annually and poses a significant threat to the state's energy economy. The bill author has further informed the committee that organized criminal enterprises, including cartels, are increasingly targeting oil and gas equipment and petroleum products through sophisticated theft rings that are challenging to investigate and prosecute and that existing law enforcement efforts are fragmented, leading to gaps in coordination and enforcement. The bill author has also informed the committee that by enhancing law enforcement capabilities and coordination, the state's vital energy industry will be better protected, economic losses will be reduced, and criminal and cartel enterprises involved in organized oilfield theft will be disrupted. C.S.H.B. 48 seeks to address this issue by providing for the creation of an organized oilfield theft prevention unit in order to protect oilfield assets, support the energy industry, safeguard economic stability, and enhance public safety.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the public safety director of the Department of Public Safety in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 48 amends the Government Code to require the public safety director of the Department of Public Safety (DPS) to create an organized oilfield theft prevention unit to be operated by DPS. The bill authorizes the unit to investigate and arrest individuals determined to have committed a theft of a petroleum product offense or, if the unlawfully appropriated property includes oil and gas equipment, a theft offense. The bill defines "oil and gas equipment" as machinery, drilling equipment, welding equipment, pipe, fittings, pumps, vehicles, or other equipment used in the drilling or maintenance of oil and gas wells, in the production of oil and gas, or to transport petroleum products. The bill defines "petroleum product" by reference to Penal Code provisions relating to the theft of a petroleum product offense.

C.S.H.B. 48 requires the unit to coordinate with federal, state, and local law enforcement agencies, attorneys representing the state, the Railroad Commission of Texas, and any person who is a victim of a theft of a petroleum product offense or an applicable theft offense as necessary to carry out the unit's duties. The bill requires the director to designate a command structure within DPS to supervise the unit's operations and to adopt rules, subject to Public Safety Commission approval, as necessary for the control and general administration of the unit,

including rules governing the procurement of facilities and equipment for the unit and rules regarding required training for, and working conditions of, unit personnel.

C.S.H.B. 48 establishes that the unit has statewide jurisdiction but requires the unit to operate primarily within the designated region of DPS that is adjacent to the international border and contains the city of El Paso. The bill requires the unit's headquarters to be located in that region. The bill authorizes DPS, subject to commission approval, to establish in any DPS region one or more additional regional offices of the unit to assist in the unit's duties.

C.S.H.B. 48 requires the unit, together with DPS, to do the following:

- develop and deploy to local law enforcement agencies specialized training, resources, and policing strategies tailored to investigating and preventing a theft of a petroleum product offense or an applicable theft offense;
- conduct public outreach and awareness initiatives to educate industry professionals and communities regarding such offenses; and
- maintain a centralized database for tracking such offenses and related criminal enterprises.

C.S.H.B. 48 requires DPS, not later than January 1 of each odd-numbered year, to prepare and submit to the governor, the lieutenant governor, the speaker of the house of representatives, and each standing committee of the legislature with primary jurisdiction over natural resources or criminal justice matters a written report that summarizes the unit's activities and evaluates the unit's effectiveness during the preceding two-year period, including by providing statistics regarding any arrests made by the unit and any prosecutions that resulted from those arrests or assets that were recovered as a result of those arrests, and that provides recommendations for legislative or administrative action to improve the unit's effectiveness.

C.S.H.B. 48 requires the public safety director, not later than December 1, 2025, to adopt rules necessary to implement the bill's provisions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 48 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.

Whereas the introduced required the organized oilfield theft prevention unit to investigate and arrest individuals determined to have committed a theft of a petroleum product offense or an applicable theft offense, the substitute instead authorizes the unit to investigate and arrest such individuals.

The substitute includes a provision that was not in the introduced that authorizes DPS, subject to Public Safety Commission approval, to establish in any DPS region one or more additional regional offices of the unit to assist in the unit's duties.