

## **BILL ANALYSIS**

Senate Research Center  
89R4434 JDK-F

S.B. 494  
By: Sparks  
Natural Resources  
2/28/2025  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In the 85th Legislature, Senator Zaffarini passed S.B. 1871, which created a new felony offense addressing the theft of petroleum products and oil and gas equipment. In that legislation, a person would be guilty if they unlawfully appropriated petroleum products or oil and gas equipment with the intent to deprive the owner, including actions like possessing, transporting, or tampering with pipelines or tanks used for storage or transport. Despite this previous legislation, organized criminal activity continues to rise with complex systems resulting in legitimate industry and regional concern. Industry stakeholders have noted that thieves engaged in organized oilfield theft often operate across multiple jurisdictions, complicating efforts to apprehend and charge them due to a lack of coordination between authorities. S.B. 494 requires the Railroad Commission of Texas to establish a statewide task force to analyze organized oilfield theft and recommend solutions to address this ongoing issue. The task force will meet quarterly to assess theft impacts, improve coordination between law enforcement, enhance security, transparency, consumer protections, theft prevention, and the long-term economic effects, and submit a report with findings and recommendations every even-numbered year.

#### **Expected Support:**

Texas Oil and Gas Association, Permian Basin Petroleum Association, Texas Independent Producers & Royalty Owners Association, Panhandle Producers & Royalty Owners Association, ConocoPhillips, DiamondBack Energy, Oxy, Permian Basin Sheriff's Offices

As proposed, S.B. 494 amends current law relating to the establishment of a theft of petroleum products task force.

### **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. (a) Defines "commission" and "theft of petroleum product."

(b) Requires the Railroad Commission of Texas (RRC) to appoint a task force to study and make recommendations related to preventing the theft of petroleum products in this state.

(c) Requires the task force to include at least one representative from the oil and gas industry, at least one representative from an energy trade association, and representatives from local, state, and federal law enforcement agencies.

(d) Requires RRC to designate a member of the task force as the presiding officer.

(e) Requires the task force to meet at least quarterly at the call of the presiding officer. Authorizes a task force meeting to be conducted virtually through the Internet.

(f) Requires the task force to conduct an ongoing study of the theft of petroleum products in this state. Requires the task force, in conducting the study, to:

(1) review laws and regulations addressing the theft of petroleum products in other jurisdictions, including international political and economic organizations;

(2) analyze the impact of the theft of petroleum products on the collection of sales tax, the long-term economic impacts of the theft of petroleum products, and the advantages and disadvantages of taking various actions to reduce the theft of petroleum products; and

(3) make recommendations regarding theft of petroleum product outreach and prevention programs, including coordination among stakeholders, including local, state, and federal law enforcement agencies, and training for law enforcement officers and prosecutors on effective strategies for combating the theft of petroleum products.

(g) Authorizes the members of the task force, in conducting the study under Subsection (f) of this section, to consult with any organization, governmental entity, or person the task force considers necessary, and collaborate and share information relating to an active criminal investigation with one another regardless of whether the information would otherwise be confidential and not subject to disclosure under Chapter 552 (Public Information), Government Code.

(h) Requires the task force, not later than December 1 of each even-numbered year, to prepare and submit a report of the study conducted under Subsection (f) of this section to the governor, the lieutenant governor, the speaker of the house of representatives, the commission, and each standing committee of the legislature with primary jurisdiction over oil and gas matters.

(i) Provides that the report submitted under Subsection (h) of this section is required to include legislative and other recommendations to increase transparency, improve security, enhance consumer protections, prevent the theft of petroleum products, and address the long-term economic impact of the theft of petroleum products, and is authorized to be submitted electronically.

(j) Provides that Chapter 2110 (State Agency Advisory Committees), Government Code, does not apply to the duration of the task force or to the designation of the task force's presiding officer.

SECTION 2. Requires RRC, as soon as practicable after the effective date of this Act, to appoint the theft of petroleum products task force as required by this Act.

SECTION 3. Provides that this Act expires December 31, 2030.

SECTION 4. Effective date: September 1, 2025.