

BILL ANALYSIS

C.S.H.B. 891
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Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that the oil and gas industry has become a prime target for criminals and contend that a more specific oil and gas theft statute would provide prosecutors with a better tool to address certain crimes affecting this industry. C.S.H.B. 891 seeks to address this issue by creating the offense of theft of a petroleum product.

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. 891 amends the Penal Code to create the offense of theft of a petroleum product for a person who unlawfully appropriates a petroleum product, defined as crude oil, natural gas, or condensate, with intent to deprive the owner of the petroleum product by possessing, removing, delivering, receiving, purchasing, selling, moving, concealing, or transporting the petroleum product, or by making or causing a connection to be made with, or drilling or tapping or causing a hole to be drilled or tapped in, a pipe, pipeline, or tank used to store or transport a petroleum product. The bill establishes that appropriation of a petroleum product is unlawful if it is without the owner's effective consent. The bill establishes penalties for the offense ranging from a state jail felony to a first degree felony depending on the total value of the petroleum product appropriated.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 891 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

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

Sec. 85.390. TRANSACTION WITHOUT PERMIT, APPROVAL, OR AUTHORIZATION. (a) A person commits an offense if:

(1) the person recklessly possesses, removes, delivers, accepts, purchases, sells, or physically moves or transports oil, gas, or condensate as part of a transaction for which the commission requires a permit or commission approval or authorization; and

(2) the commission has not issued, and does not have a pending request for, a permit, approval, or authorization for that transaction.

(b) It is an exception to the application of this section that the actor is a pipeline operator or gatherer authorized to operate by the commission.

(c) An offense under this section is a felony of the second degree.

SECTION 2. The change in law made by this Act applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

No equivalent provision. (*But see SECTION 1 above.*)

HOUSE COMMITTEE SUBSTITUTE

No equivalent provision. (*But see SECTION 1 below.*)

No equivalent provision.

SECTION 1. Chapter 31, Penal Code, is amended by adding Section 31.19 to read as follows:

Sec. 31.19. THEFT OF PETROLEUM PRODUCT. (a) In this section, "petroleum product" means crude oil, natural gas, or condensate.

(b) A person commits an offense if the person unlawfully appropriates a petroleum product with intent to deprive the owner of the petroleum product by:

(1) possessing, removing, delivering, receiving, purchasing, selling, moving, concealing, or transporting the petroleum product; or

(2) making or causing a connection to be

made with, or drilling or tapping or causing a hole to be drilled or tapped in, a pipe, pipeline, or tank used to store or transport a petroleum product.

(c) Appropriation of a petroleum product is unlawful if it is without the owner's effective consent.

(d) An offense under this section is:

(1) a state jail felony if the total value of the petroleum product appropriated is less than \$10,000;

(2) a felony of the third degree if the total value of the petroleum product appropriated is \$10,000 or more but less than \$100,000;

(3) a felony of the second degree if the total value of the petroleum product appropriated is \$100,000 or more but less than \$300,000;

or

(4) a felony of the first degree if the total value of the petroleum product appropriated is \$300,000 or more.

SECTION 3. This Act takes effect September 1, 2017.

SECTION 2. Same as introduced version.