

BILL ANALYSIS

Senate Research Center
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H.B. 1772
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Water, Agriculture & Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

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. 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.

H.B. 1772 amends current law relating to the documentation required for the purchase of certain timber products and creates a criminal offense.

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. Amends the heading to Subchapter A, Chapter 151, Natural Resources Code, to read as follows:

SUBCHAPTER A. REQUIRED DOCUMENTATION FOR PURCHASE OF TREES AND TIMBER

SECTION 2. Amends Section 151.002(a), Natural Resources Code, as follows:

(a) Requires that the bill of sale, which is authorized to be filed of record in the appropriate real property records, at a minimum include:

(1) makes no changes to this subdivision;

(2) the name of the county containing the tract of land from which the trees, timber, logs, pulpwood, or in-woods chips were or are to be obtained and:

(A) a legal survey, abstract, and tract number of that tract of land, rather than a description of the survey or tract of land from which the trees, timber, logs, pulpwood, or in-woods chips were or are to be obtained; or

(B) information from which the identity of that tract of land may be ascertained, including the property address or GPS coordinates, rather than information from which the identity of that tract of land may be ascertained, but in any event including the county name; and

(3)-(4) makes no changes to these subdivisions.

SECTION 3. Amends Section 151.003, Natural Resources Code, as follows:

Sec. 151.003. RETENTION OF BILL OF SALE. Requires a person that purchases trees, timber, logs, pulpwood, or in-woods chips to retain the bill of sale for not less than five years, rather than two years, following the later of the date of execution of the bill of sale or the expiration date referenced in the bill of sale.

SECTION 4. Amends Subchapter A, Chapter 151, Natural Resources Code by adding Section 151.0035, as follows:

Sec. 151.0035. DOCUMENTATION OF DELIVERY REQUIRED FOR CERTAIN PURCHASES. (a) Requires a timber purchaser, as defined by Section 151.101 (Definition), who purchases timber on a pay-per-unit sale to provide documentation to the beneficiary described by Section 151.104 (Beneficiary of Trust) that proves delivery for any product delivered to a mill, wood yard, transfer yard, or storage yard.

(b) Requires that documentation required under Subsection (a):

(1) include:

(A) a description of the delivered product;

(B) the name and location of the mill, wood yard, transfer yard, or storage yard to which the product was delivered;

(C) the site identification number or scale ticket number for the delivered product;

(D) the net weight of the delivered product;

(E) the name of the person delivering the product; and

(F) the name of the person or entity receiving payment for the product, if different from the person delivering the product; and

(2) be provided on or before the 45th day after the date the product is delivered.

SECTION 5. Amends Section 151.004, Natural Resources Code, as follows:

Sec. 151.004. NOTICE CONCERNING SALE OR PURCHASE OF TREES OR TIMBER. Requires a wood yard, transfer yard, mill site, or storage yard to post a certain written notice in lettering not less than one inch at each designated point of delivery for trees, timber, logs, pulpwood, or in-woods chips. Sets forth the required language of the notice.

SECTION 6. Amends Section 151.005, Natural Resources Code, by adding Subsections (c), (d), and (e), as follows:

(c) Provides that a timber purchaser, as defined by Section 151.101, who knowingly fails to provide the documentation required by Section 151.0035 in the manner provided by that section is guilty of a misdemeanor and on conviction is subject to a fine of not more than \$500 for each offense.

(d) Provides that a timber purchaser, as defined by Section 151.101, or a firm, partnership, or agent acting on behalf of a timber purchaser, who knowingly provides false information in documentation required by Section 151.0035 is guilty of a misdemeanor and on conviction is subject to a fine of not more than \$500 for each offense, except as otherwise provided by Section 151.005 (Penalty). Provides that if an offense described by this subsection was committed to conceal or to attempt to conceal an offense under Section 151.052 (Criminal Offense) or 151.105 (Offense), the offense under this subsection is:

(1) 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;

(2) 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;

(3) 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

(4) 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.

(e) Provides that a seller or a firm, partnership, or agent acting on behalf of the seller who knowingly provides in the bill of sale required by Section 151.001 false information that is required by Section 151.002 is guilty of a misdemeanor and on conviction is subject to a fine of not more than \$500 for each offense. Provides that an offense, if the offense described by this subsection was committed to conceal or to attempt to conceal an offense under Section 151.052 or 151.105, is:

(1) 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;

(2) 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;

(3) 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

(4) 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.

SECTION 7. Makes application Section 151.003, Natural Resources Code, as amended by this Act, prospective.

SECTION 8. Effective date: September 1, 2023.