

AN ACT

relating to transactions involving oil, gas, or condensate;
creating a criminal offense.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

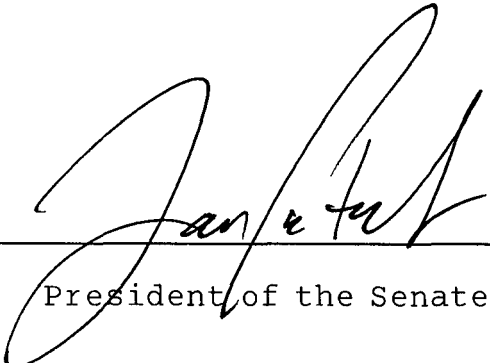
Sec. 85.390. TRANSACTION WITHOUT APPROVAL, AUTHORIZATION,
OR PERMIT. (a) A person who is not a pipeline operator or gatherer
authorized to operate by the commission commits an offense if the
person recklessly possesses, transports, removes, delivers,
accepts, purchases, sells, or physically moves oil, gas, or
condensate as part of a transaction for which the commission
requires a permit or commission approval or authorization unless
the commission has:

(1) issued a permit, approval, or authorization for
the transaction; or

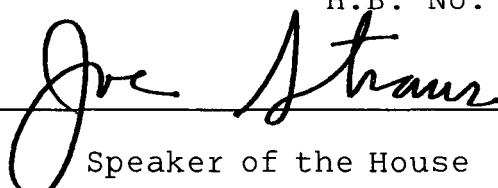
(2) received a request for a permit, approval, or
authorization for the transaction and the request is pending before
the commission.

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

SECTION 2. This Act takes effect September 1, 2015.

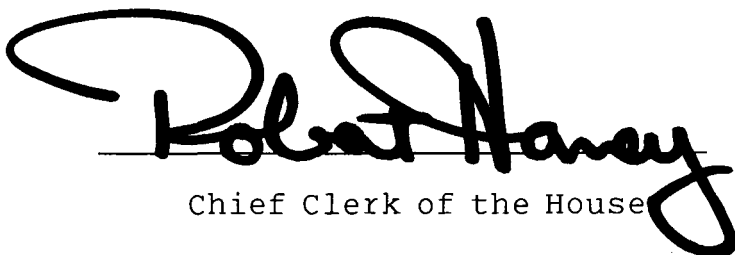


President of the Senate

H.B. No. 3291


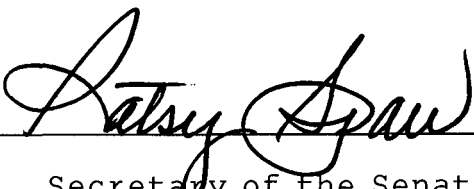
Speaker of the House

I certify that H.B. No. 3291 was passed by the House on April 27, 2015, by the following vote: Yeas 139, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3291 on May 23, 2015, by the following vote: Yeas 128, Nays 3, 1 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 3291 was passed by the Senate, with amendments, on May 22, 2015, by the following vote: Yeas 30, Nays 1.



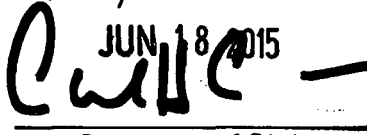
Secretary of the Senate

APPROVED: _____

Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
8:00 *pm* O'CLOCK



Secretary of State

PROCLAMATION

BY THE

Governor of the State of Texas

41-3421

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Greg Abbott, Governor of Texas, do hereby disapprove of and veto House Bill No. 3291 as passed by the Eighty-Fourth Texas Legislature, Regular Session, because of the following objections:


Theft of oil and gas is a serious problem facing one of our state's most vital industries. Those responsible should be prosecuted to the fullest extent of the law. I support increasing the criminal penalties for these crimes. And I support providing prosecutors with new tools targeted at theft of oil and gas.

House Bill 3291 shares these goals, but unfortunately its overly broad language creates severe criminal penalties for conduct that may have nothing to do with theft of oil and gas. For example, the bill would make it a second-degree felony to possess, purchase, or sell oil or gas without the proper Railroad Commission permit. Under current law, such a violation results only in a civil fine – like most other violations of state permitting rules. But under House Bill 3291, the penalty for not having the appropriate Railroad Commission paperwork could be as much as 20 years in prison. And because the crime created by the bill requires only a reckless mental state, a felony conviction could be obtained even if the defendant did not know his paperwork was out of order. Turning paperwork errors into felonies is not the right solution to the very real problem of oil and gas theft.

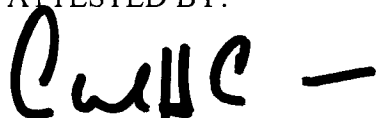
Since the Eighty-Fourth Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 18th day of June, 2015.


GREG ABBOTT
Governor of Texas

ATTESTED BY:



CARLOS CASCOS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
8:00 pm O'CLOCK

JUN 18 2015

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 22, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (Relating to transactions involving oil, gas, or condensate; creating a criminal offense.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to create a second degree felony offense related to certain unauthorized activity related to oil, gas, or condensate. Expanding the types of behaviors subject to criminal penalties is expected to result in increased demands upon the correctional resources of the state due to additional persons potentially placed under felony community supervision or admitted into state correctional institutions. However, this analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SD, SZ, LM, ESi

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 15, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (relating to transactions involving oil, gas, or condensate; creating a criminal offense.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to create a second degree felony offense related to certain unauthorized activity related to oil, gas, or condensate. Expanding the types of behaviors subject to criminal penalties is expected to result in increased demands upon the correctional resources of the state due to additional persons potentially placed under felony community supervision or admitted into state correctional institutions. However, this analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, LM, ESi

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 2, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (Relating to increasing the punishment for certain offenses involving oil, gas, or condensate or equipment designed for the exploration or production of oil and gas; creating an offense.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing or selling certain oil and gas-related products without applicable tenders, authorization, or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony. This analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, LM, ESi, MW, TB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 14, 2015

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (relating to increasing the punishment for certain offenses involving oil, gas, or condensate or equipment designed for the exploration or production of oil and gas; creating an offense.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Penal Code to enhance the criminal punishment for certain thefts related to oil and gas and oil and gas equipment. Under current law, the thefts applicable to the bill are prosecuted as a state jail felony, third degree felony, or second degree felony depending on the circumstances of the offense. The bill's provisions indicate all of the applicable offenses would be prosecuted as a second degree felony, unless the offense was committed under certain circumstances, in which it would be prosecuted at a first degree felony.

The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing certain oil and gas-related products without applicable tenders or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony.

The Railroad Commission of Texas estimates approximately 30-60 offenses subject to the bill's theft-related provisions occur per year. Increasing the penalty for any criminal offense and creating an offense are expected to result in increased demands upon the state correctional resources. However, due to the limited estimated number of offenses applicable to the bill's provisions, this analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, LM, ESi, MW, TB

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 3, 2015

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (Relating to the creation of the offense of theft of pipeline equipment, oil and gas equipment, oil, gas, or condensate and the unauthorized purchase or sale of oil, gas, or condensate.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Penal Code to enhance the criminal punishment for certain thefts related to oil and gas and oil and gas equipment. Under current law, the thefts applicable to the bill are prosecuted as a state jail felony, third degree felony, or second degree felony depending on the circumstances of the offense. The bill's provisions indicate all of the applicable offenses would be prosecuted as a second degree felony.

The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing certain oil and gas-related products without required registration or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony.

The Railroad Commission of Texas estimates approximately 30-60 offenses subject to the bill's theft-related provisions occur per year. Increasing the penalty for any criminal offense and creating an offense is expected to result in increased demands upon the correctional resources of the state due to longer terms of probation, or longer terms of confinement in prison. However, due to the limited estimated number of offenses applicable to the bill's provisions, this analysis assumes the provisions of the bill would not result in a significant impact on state correctional agencies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: UP, SZ, LM, ESi, MW, TB

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

CRIMINAL JUSTICE IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

May 18, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3291** by Raymond (relating to transactions involving oil, gas, or condensate; creating a criminal offense.), **Committee Report 2nd House, Substituted**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Natural Resources Code to create a new second degree felony offense related to certain unauthorized activity related to oil, gas, or condensate.

Expanding the types of behaviors subject to criminal penalties is expected to result in increased demands upon the correctional resources of the state due to additional persons potentially placed under felony community supervision or admitted into state correctional institutions. However, this analysis assumes the provisions of the bill would not significantly impact state correctional populations, programs, or workloads.

Source Agencies:

LBB Staff: UP, LM, ESi

LEGISLATIVE BUDGET BOARD
Austin, Texas

CRIMINAL JUSTICE IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

May 2, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3291** by Raymond (Relating to increasing the punishment for certain offenses involving oil, gas, or condensate or equipment designed for the exploration or production of oil and gas; creating an offense.), **As Engrossed**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Natural Resources Code to create a new second degree felony offense related to purchasing certain oil and gas-related products without applicable tenders or permits. The bill would also enhance the punishment for a current oil and gas related offense from a third degree felony to a second degree felony.

In fiscal year 2014, 19 people were arrested, fewer than 10 were placed on felony community supervision, and fewer than 10 were admitted to state correctional institutions for the existing oil and gas-related offense referenced in the bill which would be enhanced from a third degree felony to a second degree felony. Data are not available to indicate the prevalence of the behavior described by the new offense included in the bill. However, this analysis assumes the provisions of the bill would not significantly impact state correctional populations, programs, or workloads.

Source Agencies:

LBB Staff: UP, LM, ESi

LEGISLATIVE BUDGET BOARD

Austin, Texas

CRIMINAL JUSTICE IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

April 15, 2015

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (relating to increasing the punishment for certain offenses involving oil, gas, or condensate or equipment designed for the exploration or production of oil and gas; creating an offense.), **Committee Report 1st House, Substituted**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Penal Code to enhance the criminal punishment for certain thefts related to oil and gas and oil and gas equipment. Under current law, the thefts applicable to the bill are prosecuted as a state jail felony, third degree felony, or second degree felony depending on the circumstances of the offense. The bill's provisions would enhance all of the applicable offenses to a second degree felony, unless the offense was committed under certain circumstances, in which it would be prosecuted as a first degree felony.

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Source Agencies:

LBB Staff: UP, LM, ESi

LEGISLATIVE BUDGET BOARD

Austin, Texas

CRIMINAL JUSTICE IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

April 5, 2015

TO: Honorable Drew Darby, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3291 by Raymond (Relating to the creation of the offense of theft of pipeline equipment, oil and gas equipment, oil, gas, or condensate and the unauthorized purchase or sale of oil, gas, or condensate.), **As Introduced**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Penal Code to enhance the criminal punishment for certain thefts related to oil and gas and oil and gas equipment. Under current law, the thefts applicable to the bill are prosecuted as a state jail felony, third degree felony, or second degree felony depending on the circumstances of the offense. The bill's provisions would enhance all of the applicable offenses to a second degree felony.

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Source Agencies:

LBB Staff: UP, LM, ESi