

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 3291  
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Natural Resources & Economic Development  
5/15/2015  
Committee Report (Substituted)

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

The rapid increase of oil and gas production in rural Texas has created more opportunities for oil field theft. The FBI-led Oilfield Theft Task Force in Midland estimates that the region averages between \$400,000 and \$800,000 a month in theft. The current theft provisions work well for theft of equipment like pumps, trucks, pipes, et cetera because there is the possibility of finding the owner due to identification numbers, markings, tags, et cetera on the stolen items and the possibility of an owner identifying stolen property. However, fuel theft cases are difficult to prosecute because when oil, gas, or condensate is stolen, it is comingled with other product. For example, once the oil is comingled with other oil it is difficult for law enforcement to prove where it came from and from whom the oil was stolen. Accordingly, it nearly is impossible to prosecute the case when it is not possible to confirm ownership of the stolen oil.

C.S.H.B. 3291 amends Chapter 85, Natural Resources Code, by creating a new offense for those persons who transport or receive oil, gas, or condensate without the required Railroad Commission permit, approval, or authorization.

C.S.H.B. 3291 amends current law relating to transactions involving oil, gas, or condensate 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 Subchapter K, Chapter 85, Natural Resources Code, by adding Section 85.390, as follows:

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

(b) Provides that an offense under this section is a felony of the second degree.

SECTION 2. Effective date: September 1, 2015.