

BILL ANALYSIS

Senate Research Center
82R9706 TRH-F

S.B. 1293
By: Hegar
Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1293 would increase administrative, civil, and criminal penalties for certain violations relating to pipelines. The bill would increase penalty provisions from \$10,000 per day to \$25,000 per day for each violation that is not related to pipeline safety. For violations related to pipeline safety the penalty provision would increase from \$10,000 per day to \$100,000 per day. The penalty amounts are likewise increased for all penalties involving violations relating to hazardous liquid or carbon dioxide pipelines, to a range of \$500 to \$100,000, with a maximum for all penalties not to exceed \$1 million. S.B. 1293 would also increase the penalties for intentional violations relating to hazardous liquid or carbon dioxide pipelines and intentionally injuring or destroying, or attempting to injure or destroy, a pipeline facility to \$1 million. This bill would also increase the penalty for each day of violation of a safety standard to \$100,000, with civil penalties capped at \$1 million.

This bill would bring the penalty provisions for pipeline safety violations more in line with the federal penalty amounts.

As proposed, S.B. 1293 amends current law relating to the amounts of administrative, civil, and criminal penalties for violations relating to certain pipelines.

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 Section 81.0531, Natural Resources Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Prohibits the penalty from exceeding \$25,000 a day for each violation that is not related to pipeline safety, or \$100,000 a day for each violation that is related to pipeline safety. Deletes existing text prohibiting the penalty from exceeding \$10,000 a day for each violation.

(b-1) Creates this subsection from existing text. Provides that each day a violation continues may be considered a separate violation for purposes of penalty assessments.

SECTION 2. Amends Section 117.051, Natural Resources Code, to provide that a person who violates this chapter or a rule adopted by the Railroad Commission of Texas under this chapter is subject a civil penalty of not less than \$500 or more than \$100,000, rather than not less than \$50 nor more than \$25,000, for each act of violation and for each day of violation, provided that the maximum civil penalty that is authorized to be assessed for any related series of violations is prohibited from exceeding \$1 million, rather than \$500,000.

SECTION 3. Amends Section 117.053(b), Natural Resources Code, to provide that an offense under this section (relating to a violation of this chapter or a rule adopted under it) is punishable by a fine of not more than \$1 million, rather than not more than \$25,000, confinement in the

Texas Department of Criminal Justice for a term of not more than five years, or both such fine and imprisonment.

SECTION 4. Amends Section 117.054(b), Natural Resources Code, to provide that an offense under this section (Criminal Penalty for Injuring or Destroying Pipeline Facilities) is punishable by a fine of not more than \$1 million, rather than not more than \$25,000, confinement in the Texas Department of Criminal Justice for a term of not more than 15 years, or both such fine and imprisonment.

SECTION 5. Amends Section 121.204, Utilities Code, to provide that each day of each violation of a safety standard adopted under this subchapter is subject to a civil penalty of not more than \$100,000, rather than \$25,000, except that the maximum penalty that is authorized to be assessed for any related series of violation is prohibited from exceeding \$1 million, rather than \$500,000.

SECTION 6. Amends Section 121.206(b), Utilities Code, to prohibit the penalty for each violation from exceeding \$100,000, rather than \$10,000.

SECTION 7. Amends Section 121.302, Utilities Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Makes no changes to this subsection.

(a-1) Creates this subsection from existing text. Requires that a penalty under this section is payable to the state and be not less than \$1,000 and not more than \$100,000, rather than not less than \$100 and not more than \$1,000 for each violation or failure.

SECTION 8. Amends Section 121.304(b), Utilities Code, to prohibit the penalty for each violation or failure from exceeding \$100,000, rather than \$10,000, a day.

SECTION 9. Amends Section 121.310(b), Utilities Code, to provide that an offense under this section is punishable by a fine of not less than \$500 and not more than \$1 million, rather than not less than \$50 and not more than \$1,000.

SECTION 10. Makes application of this Act prospective.

SECTION 11. Effective date: September 1, 2011.