

AN ACT

relating to the amounts of the administrative, civil, and criminal penalties for violating certain statutes under the jurisdiction of, rules or orders adopted by, or licenses, permits, or certificates issued by the Railroad Commission of Texas.

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

SECTION 1. Section 81.0531, Natural Resources Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) The penalty may not exceed:

(1) \$10,000 a day for each violation that is not related to pipeline safety; or

(2) \$200,000 a day for each violation that is related to pipeline safety.

(b-1) Each day a violation continues may be considered a separate violation for purposes of penalty assessments, provided that the maximum penalty that may be assessed for any related series of violations related to pipeline safety may not exceed \$2 million.

SECTION 2. Section 117.051, Natural Resources Code, is amended to read as follows:

Sec. 117.051. CIVIL PENALTY. A person who violates this chapter or a rule adopted by the commission under this chapter is subject to a civil penalty of not ~~[less than \$50 nor]~~ more than \$200,000 ~~[\$25,000]~~ for each act of violation and for each day of

1 violation, provided that the maximum civil penalty that may be
2 assessed for any related series of violations may not exceed \$2
3 million [~~\$500,000~~].

4 SECTION 3. Section 117.053, Natural Resources Code, is
5 amended by amending Subsection (b) and adding Subsection (c) to
6 read as follows:

7 (b) An offense under this section is punishable by a fine of
8 not more than \$2 million [~~\$25,000~~], confinement in the Texas
9 Department of Criminal Justice for a term of not more than five
10 years, or both such fine and imprisonment.

11 (c) In the prosecution of a defendant for multiple offenses
12 under this section, all of the offenses are considered to be part of
13 the same criminal episode, and as required by Section 3.03, Penal
14 Code, the sentences of confinement shall run concurrently.
15 Additionally, the cumulative total of fines imposed under this
16 section may not exceed the maximum amount imposed on conviction of a
17 single offense under this section.

18 SECTION 4. Section 117.054, Natural Resources Code, is
19 amended by amending Subsection (b) and adding Subsection (c) to
20 read as follows:

21 (b) An offense under this section is punishable by a fine of
22 not more than \$2 million [~~\$25,000~~], confinement in the Texas
23 Department of Criminal Justice for a term of not more than five [~~15~~]
24 years, or both such fine and imprisonment.

25 (c) In the prosecution of a defendant for multiple offenses
26 under this section, all of the offenses are considered to be part of
27 the same criminal episode, and as required by Section 3.03, Penal

1 Code, the sentences of confinement shall run concurrently.
2 Additionally, the cumulative total of fines imposed under this
3 section may not exceed the maximum amount imposed on conviction of a
4 single offense under this section.

5 SECTION 5. Section 121.007, Utilities Code, is amended by
6 amending Subsection (a) and adding Subsection (c) to read as
7 follows:

8 (a) A person who owns or operates [~~operating~~] a natural gas
9 pipeline, a liquefied natural gas pipeline, or an underground
10 storage facility is not a gas utility if the person certifies to the
11 railroad commission that the person uses the pipeline or
12 underground storage facility solely to deliver natural gas or
13 liquefied natural gas or the constituents of natural gas or
14 liquefied natural gas:

15 (1) to a liquefied natural gas marine terminal;

16 (2) from a liquefied natural gas marine terminal to
17 the owner of the gas or another person on behalf of the owner of the
18 gas;

19 (3) that is acquired, liquefied, or sold by the person
20 as necessary for the operation or maintenance of its facility that
21 is excluded as a gas utility under this section; or

22 (4) that has been stored for export.

23 (c) This section does not create an exception to the
24 applicability of a pipeline safety requirement provided under this
25 chapter or a penalty for a violation of such a requirement.

26 SECTION 6. Section 121.204, Utilities Code, is amended to
27 read as follows:

1 Sec. 121.204. CIVIL PENALTY. Each day of each violation of
2 a safety standard adopted under this subchapter is subject to a
3 civil penalty of not more than \$200,000 [~~\$25,000~~], except that the
4 maximum penalty that may be assessed for any related series of
5 violations may not exceed \$2 million [~~\$500,000~~]. The penalty is
6 payable to the state.

7 SECTION 7. Subsection (b), Section 121.206, Utilities Code,
8 is amended to read as follows:

9 (b) The penalty for each violation may not exceed \$200,000
10 [~~\$10,000~~]. Each day a violation continues may be considered a
11 separate violation for the purpose of penalty assessment, provided
12 that the maximum penalty that may be assessed for any related series
13 of violations may not exceed \$2 million.

14 SECTION 8. Section 121.302, Utilities Code, is amended by
15 amending Subsection (a) and adding Subsection (a-1) to read as
16 follows:

17 (a) A gas utility is subject to a civil penalty if the gas
18 utility:

- 19 (1) violates this chapter;
20 (2) fails to perform a duty imposed by this chapter; or
21 (3) fails to comply with an order of the railroad
22 commission if the order is not stayed or suspended by a court order.

23 (a-1) A penalty under this section is payable to the state
24 and shall be:

- 25 (1) not less than \$100 and not more than \$1,000 for
26 each violation or failure that is not related to pipeline safety; or
27 (2) not more than \$200,000 for each violation or

1 failure that is related to pipeline safety, provided that the
2 maximum penalty that may be assessed for any related series of
3 violations related to pipeline safety may not exceed \$2 million.

4 SECTION 9. Subsection (b), Section 121.304, Utilities Code,
5 is amended to read as follows:

6 (b) The penalty for each violation or failure that is not
7 related to pipeline safety may not exceed \$10,000 a day. The
8 penalty for each violation or failure that is related to pipeline
9 safety may not exceed \$200,000 a day. Each day a violation
10 continues may be considered a separate violation for purposes of
11 penalty assessment, provided that the maximum penalty that may be
12 assessed for any related series of violations related to pipeline
13 safety may not exceed \$2 million.

14 SECTION 10. Section 121.310, Utilities Code, is amended by
15 amending Subsection (b) and adding Subsection (c) to read as
16 follows:

17 (b) An offense under this section that is not related to
18 pipeline safety is punishable by a fine of not less than \$50 and not
19 more than \$1,000. An offense under this section that is related to
20 pipeline safety is punishable by a fine of not more than \$2 million.
21 In addition to the fine, the offense may be punishable by
22 confinement in jail for not less than 10 days nor more than six
23 months.

24 (c) In the prosecution of a defendant for multiple offenses
25 under this section, all of the offenses related to pipeline safety
26 are considered to be part of the same criminal episode, and as
27 required by Section 3.03, Penal Code, the sentences of confinement

1 shall run concurrently. Additionally, the cumulative total of
2 finer imposed under this section for offenses related to pipeline
3 safety may not exceed the maximum amount imposed on conviction of a
4 single offense under this section.

5 SECTION 11. The changes in law made by this Act apply only
6 to a violation committed on or after the effective date of this Act.
7 A violation committed before the effective date of this Act is
8 governed by the law in effect when the violation was committed, and
9 the former law is continued in effect for that purpose. For
10 purposes of this section, a violation was committed before the
11 effective date of this Act if any element of the violation was
12 committed before that date.

13 SECTION 12. This Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 900 passed the Senate on April 17, 2013, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 7, 2013, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 900 passed the House, with amendment, on April 30, 2013, by the following vote: Yeas 133, Nays 5, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor