



*Arkansas
Sentencing
Commission*

**Impact Assessment for HB1720
Sponsored by Representative Jean**

Subtitle CONCERNING CRIMINAL LIABILITY FOR THEFT OF OIL AND GAS EQUIPMENT AND PETROLEUM-RELATED PROPERTY; AND TO MAKE ORGANIZATIONAL CHANGES AND TECHNICAL CORRECTIONS.

Impact Summary¹ Minimal, affecting fewer than ten offenders per year.

Change from current law² Amends Arkansas Code Annotated § 5-36-103, Theft of property, to revise the penalties when the property involved is oil and gas equipment. The proposed bill recodifies the definition of “building material”, “permitted construction site”, “utility”, and “utility property”, and also defines “cost of incidental damage”, “incidental damage”, and “oil and gas equipment”.

A person commits the offense of theft of property if he or she knowingly (1) takes or exercises unauthorized control over or makes an unauthorized transfer of an interest in the property of another person with the purpose of depriving the owner of the property, or (2) obtains the property of another person by deception or by threat with the purpose of depriving the owner of the property. The general conduct provision for committing the offense of theft of property remains unchanged by this proposed bill.

Under current law, the penalty for theft of property when the property is oil and gas equipment ranges from a Class A misdemeanor to a Class B felony, depending on the value of the property. [See attached for a copy of A.C.A. § 5-36-103, Theft of property.]

The penalties for theft of oil and gas equipment under this proposed bill are as follows:

- A Class B felony if:
 - The property is oil and gas equipment, the value of which is less than twenty five thousand dollars (\$25,000) but more than five thousand dollars (\$5,000) and the person:
 - Caused more than two hundred fifty dollars (\$250) in incidental damage to the owner of the oil and gas equipment during the commission of the offense; or
 - Transported the oil and gas equipment across state lines to sell or dispose of the oil and gas equipment.
- A Class C felony if:
 - The property is oil and gas equipment, the value of which is five thousand dollars (\$5,000) or less but more than one thousand dollars (\$1,000) and the person:

¹ This impact assessment was prepared (3/11/2019, 12:52 p.m.) by the staff of the Arkansas Sentencing Commission pursuant to A. C. A. § 16-90-802(d)(6) with data supplied by the Arkansas Department of Correction and the Administrative Office of the Courts. A micro-simulation model may be used for bills which have the potential for significant impact on correctional resources. The following designations will be used: “minimal” = less than 10 offenders per year will be affected; “medium” = would require budgetary increases for ADC inmate costs; and “major” = would require budgetary increases for ADC inmate costs and construction costs for additional beds.

² Standard punishment ranges:

Class Y	10-40 years or life	Class C	3-10 years; up to \$10,000	Class A	Up to 1 year; up to \$2,500
Class A	6-30 years; up to \$15,000	Class D	0-6 years; up to \$10,000	Class B	Up to 90 days; up to \$1,000
Class B	5-20 years; up to \$15,000	Unclassified	As specified in statute	Class C	Up to 30 days; up to \$500

- Caused more than two hundred fifty dollars (\$250) in incidental damage to the owner of the oil and gas equipment during the commission of the offense; or
 - Transported the oil and gas equipment across state lines to sell or dispose of the oil and gas equipment.
- A Class D felony if:
 - The property is oil and gas equipment, the value of which is one thousand dollars (\$1,000) or less, and the person:
 - Caused more than two hundred fifty dollars (\$250) in incidental damage to the owner of the oil and gas equipment during the commission of the offense; or
 - Transported the oil and gas equipment across state lines to sell or dispose of the oil and gas equipment.

Impact Information

This proposed bill amends the penalty for some occurrences of theft of property which are not uniformly set out under current charging practices. Therefore, data is unavailable as to the likely number of convictions with increased penalties per year. However, because this proposed bill does not criminalize new conduct, but simply amends some penalties, and due to the lack of offenders convicted for criminal provisions pertaining to oil and gas, the projected impact of this proposed bill is minimal. [See attached for a copy of A.C.A. § 5-69-103, Pipeline and pipeline facilities.]

The Administrative Office of the Courts (AOC) reports that for the three year period beginning January 1, 2015 and ending December 31, 2017, there were no convictions for a violation of A.C.A. § 5-69-103, Pipeline and pipeline facilities.

A.C.A. § 5-36-103. Theft of property.

- (a) A person commits theft of property if he or she knowingly:
 - (1) Takes or exercises unauthorized control over or makes an unauthorized transfer of an interest in the property of another person with the purpose of depriving the owner of the property; or
 - (2) Obtains the property of another person by deception or by threat with the purpose of depriving the owner of the property.
- (b) Theft of property is a:
 - (1) Class B felony if:
 - (A) The value of the property is twenty-five thousand dollars (\$25,000) or more;
 - (B) The property is obtained by the threat of serious physical injury to any person or destruction of the occupiable structure of another person;
 - (C) The property is obtained by threat and the actor stands in a confidential or fiduciary relationship to the person threatened;
 - (D) The property is:
 - (i) Anhydrous ammonia in any form; or
 - (ii) A product containing any percentage of anhydrous ammonia in any form; or
 - (E)
 - (i) The property is utility property and the value of the property is five hundred dollars (\$500) or more.
 - (ii) As used in subdivision (b)(1)(E)(i) of this section:
 - (a) "Utility" means any person or entity providing to the public gas, electricity, water, sewer, telephone, telegraph, radio, radio common carrier, railway, railroad, cable and broadcast television, video, or Internet services; and
 - (b) "Utility property" means any component that is reasonably necessary to provide utility services, including without limitation any wire, pole, facility, machinery, tool, equipment, cable, insulator, switch, signal, duct, fiber optic cable, conduit, plant, work, system, substation, transmission or distribution structure, line, street lighting fixture, generating plant, equipment, pipe, main, transformer, underground line, gas compressor, meter, or any other building or structure or part of a building or structure that a utility uses in the production or use of its services;
 - (2) Class C felony if:
 - (A) The value of the property is less than twenty-five thousand dollars (\$25,000) but more than five thousand dollars (\$5,000);
 - (B) The property is obtained by threat;
 - (C) The property is a firearm valued at two thousand five hundred dollars (\$2,500) or more;
 - (D)
 - (i) The property is building material obtained from a permitted construction site and the value of the building material is five hundred dollars (\$500) or more.
 - (ii) As used in subdivision (b)(2)(D)(i) of this section:
 - (a) "Building material" means lumber, a construction tool, a window, a door, copper tubing or wire, or any other material or good used in the construction or rebuilding of a building or a structure; and
 - (b) "Permitted construction site" means the site of construction, alteration, painting, or repair of a building or a structure for which a building permit has been issued by a city of the first class, a city of the second class, an incorporated town, or a county; or
 - (E) The value of the property is five hundred dollars (\$500) or more and the theft occurred in an area declared to be under a state of emergency pursuant to proclamation by the President of the United States, the Governor, or the executive officer of a city or county;
 - (3) Class D felony if:

- (A) The value of the property is five thousand dollars (\$5,000) or less but more than one thousand dollars (\$1,000);
- (B) The property is a firearm valued at less than two thousand five hundred dollars (\$2,500);
- (C) The property is a:
 - (i) Credit card or credit card account number; or
 - (ii) Debit card or debit card account number;
- (D) The value of the property is at least one hundred dollars (\$100) or more but less than five hundred dollars (\$500) and the theft occurred in an area declared to be under a state of emergency pursuant to proclamation by the President of the United States, the Governor, or the executive officer of a city or county;
- (E) The property is livestock and the value of the livestock is in excess of two hundred dollars (\$200); or
- (F) The property is an electric power line, gas line, water line, wire or fiber insulator, electric motor, or other similar apparatus connected to a farm shop, on-farm grain drying and storage complex, heating and cooling system, environmental control system, animal production facility, irrigation system, or dwelling; or

(4) Class A misdemeanor if:

- (A) The value of the property is one thousand dollars (\$1,000) or less; or
- (B) The property has inherent, subjective, or idiosyncratic value to its owner or possessor even if the property has no market value or replacement cost.

(c) (1) Upon the proclamation of a state of emergency by the President of the United States or the Governor or upon the declaration of a local emergency by the executive officer of any city or county and for a period of thirty (30) days following that declaration, the penalty for theft of property is enhanced if the property is:

(A) A generator intended for use by:

- (i) A public facility;
- (ii) A nursing home or hospital;
- (iii) An airport;
- (iv) A public safety device;
- (v) A communication tower or facility;
- (vi) A public utility;
- (vii) A water system or sewer system;
- (viii) A public safety agency; or
- (ix) Any other facility or use providing a vital service; or

(B) Any other equipment used in the transmission of electric power or telephone service.

(2) As used in this subsection:

(A) "Public safety agency" means an agency of the State of Arkansas or a functional division of a political subdivision that provides:

- (i) Firefighting and rescue;
- (ii) Natural or human-caused disaster or major emergency response;
- (iii) Law enforcement; or
- (iv) Ambulance or emergency medical services; and

(B) "Public safety device" includes, but is not limited to, a traffic signaling device or a railroad crossing device.

(3) The penalty is enhanced as follows:

(A)

- (i) The fine for the offense shall be at least five thousand dollars (\$5,000) and not more than fifty thousand dollars (\$50,000).
- (ii) The fine is mandatory; and

(B) The offense is a Class D felony if it would have been a Class A misdemeanor.

HISTORY: Acts 1975, No. 280, § 2203; 1977, No. 360, § 8; 1979, No. 592, § 1; 1983, No. 719, § 1; A.S.A. 1947, § 41-2203; Acts 1987, No. 934, § 3; 1991, No. 712, § 1; 1995, No. 277, § 1; 1997, No. 516, § 1; 2001, No. 157, § 1; 2001, No. 1195, § 1; 2003, No. 838, § 1; 2005, No. 1442, § 1; 2007, No. 693, § 1; 2007, No. 827, § 39; 2009, No. 1295, § 2; 2011, No. 570, § 23; 2011, No. 1120, § 8; 2011, No. 1227, § 1; 2013, No. 1125, § 7.

A.C.A. § 5-69-103. Pipelines and pipeline facilities.

- (a) A person upon conviction is guilty of a Class D felony if the person knowingly violates:
- (1) Section 14-271-110(a);
 - (2) An order, safety standard, rule, or regulation of the Arkansas Public Service Commission pursuant to § 23-15-205;
 - (3) Section 23-15-206(b);
 - (4) Section 23-15-206(c);
 - (5) Section 23-15-208(a); or
 - (6) Section 23-15-209(a).
- (b) A person upon conviction is guilty of a Class D felony if the person knowingly violates § 14-271-112(a) and:
- (1) With respect to the violation, damages or destroys an interstate or intrastate natural gas pipeline facility that results in serious physical injury or actual damage to property of more than fifty thousand dollars (\$50,000);
 - (2) With respect to the violation, damages or destroys an interstate or intrastate natural gas pipeline facility, knows or has reason to know of the damage or destruction, and does not report the damage or destruction promptly to the operator of the interstate or intrastate natural gas pipeline facility or to local law enforcement authorities; or
 - (3) With respect to the violation, damages an intrastate hazardous liquid pipeline facility that results in the release of more than fifty (50) barrels of hazardous liquid.
- (c)
- (1) A person who knowingly engages in the unauthorized disposal of solid waste within the right-of-way of an interstate or intrastate pipeline facility or an interstate or intrastate hazardous liquid pipeline facility upon conviction is guilty of a Class D felony.
 - (2)
 - (A) As used in this subsection, "solid waste" means garbage, refuse, or sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility or other discarded material, including without limitation solid, liquid, semisolid, or contained gaseous material resulting from industrial operations, commercial operations, mining operations, agricultural operations, or other community activities.
 - (B) "Solid waste" does not include solid or dissolved material in domestic sewage or solids discovered in materials in irrigation return flows or industrial discharges that are point sources subject to permits under 33 U.S.C. § 1342, as it existed on January 1, 2013, or source, special nuclear, or byproduct material as defined by 42 U.S.C. § 2011 et seq., as it existed on January 1, 2013.
- (d) A person who knowingly damages or destroys an interstate or intrastate pipeline facility or an interstate or intrastate hazardous liquid pipeline facility upon conviction is guilty of a:
- (1) Class A misdemeanor if the amount of actual damage is one thousand dollars (\$1,000) or less;
 - (2) Class D felony if the amount of actual damage is more than one thousand dollars (\$1,000) but less than five thousand dollars (\$5,000);
 - (3) Class C felony if the amount of actual damage is more than five thousand dollars (\$5,000) but less than twenty-five thousand dollars (\$25,000); or
 - (4) Class B felony if the amount of actual damage is more than twenty-five thousand dollars (\$25,000).

(e) A person who knowingly tampers with, damages, or destroys a pipeline sign or right-of-way marker required by law or rule of the state upon conviction is guilty of a:

- (1) Class A misdemeanor if the amount of actual damage is one thousand dollars (\$1,000) or less;
- (2) Class D felony if the amount of actual damage is more than one thousand dollars (\$1,000) but less than five thousand dollars (\$5,000);
- (3) Class C felony if the amount of actual damage is more than five thousand dollars (\$5,000) but less than twenty-five thousand dollars (\$25,000); or
- (4) Class B felony if the amount of actual damage is more than twenty-five thousand dollars (\$25,000).

HISTORY: Acts 2013, No. 1343, § 4; 2013, No. 1344, § 5.