

BILL ANALYSIS

Senate Research Center
79R9353 SMH-F

H.B. 2172
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Natural Resources
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, a liquid petroleum gas license is issued administratively with no review of the prior operating history of that license holder. If the correct paperwork is submitted, then the Railroad Commission of Texas (commission) is required to grant a license. There have been non-compliant license holders, or who are non-compliant and owe the state fines, who return to the commission to apply for a new license under a different name. Without the ability to review the history of the applicant, the commission must grant a new license.

H.B. 2172 authorizes the commission to deny, not renew, or revoke a license or application if the applicant has violated a safety-related statute, commission rule, order, license, permit or certificate, or if an owner or person in control of an applicant company has done so during the previous seven years.

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 113.092(a), Natural Resources Code, to require the Railroad Commission of Texas (commission) to issue the appropriate [liquid petroleum gas] license to an applicant who has satisfied the licensing procedures and requirements set out in this chapter and in the rules of the commission, except as otherwise provided for in Section 113.163, rather than except where a prior license has been revoked as provided for in Section 113.163(a). Makes a nonsubstantive change.

SECTION 2. Amends the heading to Subchapter F, Chapter 113, Natural Resources Code, to read as follows:

SUBCHAPTER F. LICENSE AND REGISTRATION FOR AN EXEMPTION: DENIAL AND DISCIPLINARY ACTION

SECTION 3. Amends Section 113.163, Natural Resources Code, as follows:

Sec. 113.163. New heading: DENIAL, REFUSAL TO RENEW, OR REVOCATION OF LICENSE OR REGISTRATION FOR AN EXEMPTION IN EVENT OF VIOLATION.

(a) Prohibits the commission, except as provided by Subsections (d) and (f), from approving an application for a license under this chapter or approve a registration for an exemption under Section 113.081(d) or (e) if the applicant or registrant has violated a statute or commission rule, order, license, permit, or certificate that relates to safety or a person who holds a position of ownership or control in the applicant or registrant for an exemption has held a position of ownership or control in another person during the seven years preceding the date on which the application or registration for an exemption is filed and during that period of ownership or control the other person violated a statute or commission rule, order, license, permit, or certificate that relates to safety.

(b) Sets forth the circumstances under which an applicant, registrant for an exemption, or other person has committed a violation described by Subsection (a).

(c) Sets forth the circumstances under which a person holds a position of ownership or control in an applicant, regardless of whether the person's name appears or is required to appear on an application or registration for an exemption.

(d) Sets forth the circumstances under which the commission is required to approve an application for a license under this chapter or for a registration for an exemption under Section 113.081(d) or (e).

(e) Requires the commission, if an application or registration for an exemption is denied under this section, to provide the applicant or registrant for an exemption with a written statement explaining the reason for the denial.

(f) Authorizes the commission, notwithstanding Subsection (a), to issue a license to an applicant described by Subsection (a) or approve a registration for an exemption for a registrant for an exemption described by that subsection for a term specified by the commission if the license or registration for an exemption is necessary to remedy a violation of law or commission rules.

(g) Provides that a fee tendered in connection with an application or registration for an exemption that is denied under this section is nonrefundable.

(h) Authorizes the commission, if the commission is prohibited by Subsection (a) from approving an application for a license or a registration for an exemption or would be prohibited from doing so by that subsection if the applicant, licensee, or registrant for an exemption submitted an application or registration for an exemption, after notice and opportunity for a hearing, by order to refuse to renew or to revoke a license or registration for an exemption issued to the applicant, licensee, or registrant for an exemption under this chapter. Prohibits the commission from revoking or refusing to renew a license or registration for an exemption under this subsection if the commission finds that the applicant, licensee, or registrant for an exemption has fulfilled the conditions set out in Subsection (d).

(i) Requires an order issued under Subsection (h) to provide the applicant, licensee, or registrant for an exemption a reasonable period to comply with the judgment or order finding the violation before the order takes effect.

(j) Prohibits the person, on refusal to renew or revocation of a person's license or registration for an exemption under Subsection (h), from performing any activities under the jurisdiction of the commission under this chapter, except as necessary to remedy a violation of law or commission rules and as authorized by the commission under a license or registration for an exemption issued under Subsection (f).

(k) Requires the commission, in determining whether to refuse to renew or to revoke a person's license or registration for an exemption under Subsection (h), to consider certain factors.

(l) Provides that refusal to renew or revocation of a person's license or registration for an exemption under Subsection (h) does not relieve the person of any existing or future duty under law, rules, or license or registration conditions.

Deletes existing text of this section.

SECTION 4. Makes application of the change in law made by this Act relating to a violation that is grounds for denial of a license or registration for an exemption or for disciplinary action prospective.

SECTION 5. Effective date: September 1, 2005.