

## **BILL ANALYSIS**

Senate Research Center  
79R4703

S.B. 1511  
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As Filed

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

Many lawsuits referencing propane gas accidents have accused the propane companies of improper handling of the product. In defending themselves against these lawsuits, many family-owned companies have been forced out of business. Subsequent evidence has vindicated many propane businesses from fault in lawsuits brought against them. However, as a result of these lawsuits, propane companies have had to suffer from increased insurance rates and a decrease in the number of carriers that provide coverage for the industry.

Other states, such as Colorado, Kansas, Iowa, Oklahoma, Missouri, and Alabama have adopted limited liability statutes in order to protect propane retailers from lawsuit abuse and frivolous cases.

As proposed, S.B. 1511 amends the Texas Natural Resources Code to limit the liability of individuals licensed to install or service liquefied petroleum gas (LPG) systems in residences, commercial premises, or public buildings.

### **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 113.301, Natural Resources Code, as follows:

Sec. 113.301. **LIMITATION OF LIABILITY OF LICENSED INSTALLER OR SERVICER.** Provides that a person is not liable for damages caused by a leak from, a malfunction of, or the improper operation of a liquefied petroleum gas (LPG) system or any part of an LPG system that the person delivered for installation in but did not install or service or that the person installed or serviced in a residential, commercial, or public building or in a motor vehicle under certain conditions.

SECTION 2. Amends Subchapter K, Chapter 113, Natural Resources Code, by adding Sections 113.302 - 113.304, as follows:

Sec. 113.302. **NOTICE AND ACKNOWLEDGMENT REQUIRED BEFORE MODIFICATION OR REPAIR OF SYSTEM.** (a) Requires a person who uses an LPG system to give written notice to and obtain the written acknowledgement of the person who provides LP-gas service for the system or delivers LPG to the system before the system is modified or repaired or an additional or replacement appliance is connected or attached to the system.

(b) Provides that a person who provides LPG service for the system or delivers LPG to the system is not liable for damages caused, in whole or in part, by certain leaks if a person does not give notice and obtain an acknowledgment as required by Subsection (a).

(c) Provides that the giving of notice or an acknowledgement under Subsection (a) does not impose on the person who provides LPG service for the system or

delivers LPG to the system the duty to inspect or test the modified or repaired system or the additional or replacement appliance.

Sec. 113.303. **LIMITATION OF LIABILITY IF SYSTEM MISUSED.** Provides that a person is not liable for damages caused, in whole or in part, by another person's use of an LPG system, piping, or other equipment that is part of a system, or an appliance that is connected or attached to a system under certain conditions.

Sec. 113.304. **INVOICE AND AMOUNT OF LPG USED NOT EVIDENCE OR NOTICE OF LEAKAGE.** Provides that, for the purposes of determining liability for harm caused by LPG leakage, the invoice for LPG delivered presented by a person who provides LPG service for an LPG system or who delivers LPG to the system and the person's knowledge of the amount of LPG used by the person who uses the LPG system do not constitute certain evidence or notice of any leakage.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Provides that Section 113.301, Natural Resources Code, as amended by this Act, and Sections 113.302-113.304, Natural Resources Code, as added by this Act, are an exercise of authority under Section 66(c), Article III, Texas Constitution, and take effect only if this Act receives a vote of three-fifths of all the members elected to each house, as provided by Subsection (e) of that section.

SECTION 5. Effective date: upon passage or September 1, 2005.