

BILL ANALYSIS

Senate Research Center
80R12057 ACP-F

H.B. 1170
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Propane, widely used by residential, industrial, commercial, and agricultural consumers across the state, is generally safe for most consumers to use, but can be hazardous if not handled appropriately. Consumers are not required to use a licensed propane technician to modify, install, or repair a liquefied petroleum gas system or affiliated appliance. As such, serious incidents resulting in property damage, bodily injury, and death have occurred, and sellers and installers of propane products and appliances have been named in lawsuits seeking compensation for such incidents despite having nothing to do with the modifications that led to such incidents.

H.B. 1170 requires a person holding a license to sell propane or propane accessories to provide a consumer safety notification to a purchaser or owner of those products. The bill also provides additional liability protections to licensed installers and servicepersons acting in accordance with applicable law.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 1 (Section 113.401, Natural Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 113, Natural Resources Code, by adding Subchapter M, as follows:

SUBCHAPTER M. CONSUMER SAFETY NOTIFICATION

Sec. 113.401. NOTICE REQUIRED. (a) Requires a person holding a license to install or repair an LPG system who sells, installs, or repairs a [liquefied petroleum gas] LPG system, piping or other equipment that is part of a system, or an appliance that is connected or attached to a system, to provide a notice as set forth in this subsection to the purchaser or owner of the system, piping or other equipment, or appliance.

(b) Requires the Railroad Commission of Texas (railroad commission) to adopt rules relating to the notice required by Subsection (a).

SECTION 2. Amends Section 113.301, Natural Resources Code, to provide that a person is not liable for damages caused solely by the installation or modification of an LPG system that the person delivered for installation in a residential, commercial, or public building or in a motor vehicle if the person was licensed by the railroad commission to perform the installation or service or was a registrant, the delivery was performed in compliance with the safety rules and standards adopted by the railroad commission, and the person has no control over the operation or use of the LPG system, in addition to certain other conditions previously set forth in this subsection.

SECTION 3. Makes application of Section 113.301, Natural Resources Code, as amended by this Act, prospective.

SECTION 4. Provides that Section 113.301, Natural Resources Code, as amended by this Act, is an exercise of authority under Section 66(c) (Limitation on Liability for Noneconomic Damages), Article III, Texas Constitution, and takes 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. (a) Effective date: upon passage or September 1, 2007, except as provided by Subsection (b) of this section.

(b) Effective date of Section 1 of this Act: September 1, 2007.