

BILL ANALYSIS

C.S.H.B. 2399
By: Madden
Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

This bill is intended to propose standards to limit the liability of licensed installers or servicers of liquefied petroleum gas (LPG) systems in residences, commercial premises or public buildings where the installer or servicer has installed or serviced under Texas Railroad Commission rules and has no control over the system or singular equipment after installation.

Additionally the Act will require written notice by the operator to the installer or deliverer of LPG before the system is modified, repaired or expanded. If such notice is not properly given by the operator, then another limitation of liability will accrue to the installer or deliverer. The operator also will assume the risk if he misuses the equipment involved in the system.

Finally, a determining factor of liability is added to the existing Code provisions that will provide additional limitations for the installer, servicer and deliverer that will exclude evidence the installer, etc., knew or should have known there was a leakage in the LPS system because of an inordinate or unusual amount of LP-gas delivered to operators in control of premises.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends section 113.301, of the Natural Resource Code to provide limits on the liability of persons licensed to install and service liquefied petroleum gas systems and related equipment, where damage caused by a leak results from a malfunction or improper operation, and the licensed person servicing the LPG system and related equipment does not have control over its operation or use.

SECTION 2. Adds Section 113.302-113.304 to the Natural Resource Code and mandates requirements related to notice and acknowledgement required be modification or repair of a system, limitation of liability if system is misused, and invoice and amount of LPG used not evidence or notice of leakage.

SECTION 3. States that the Act only applies to a cause of action that accrues on or after the effective date of this Act and that any cause of action accruing before the effective date of the Act is covered by the law in effect when the cause of action accrued.

SECTION 4. States that these amendments to the Natural Resource Code are an exercise of authority under Section 66(c), Article III, Texas Constitution and take effect only if the Act receives a vote of three-fifths of all the members elected to each house.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute amends Section 2 by adding Section 113.304 which states that nothing in this Chapter will exempt any person from complying with the requirements already established by this Chapter and the rules of the Railroad Commission. Nothing in this subchapter is interpreted to limit the commission in administering and ensuring compliance with this subchapter and the commission rules.

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