H.B. No. 866

AN ACT

relating to the installation, removal, and replacement of certain gas pipelines; clarifying changes to related administrative penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Sections 121.206(a) and (d), Utilities Code, are amended to read as follows:

(a)  The railroad commission may assess an administrative penalty against a person who violates Section 121.201 or a safety standard or other rule prescribed or adopted under this subchapter [~~that section~~].

(d)  The railroad commission by rule shall adopt guidelines to be used in determining the amount of a penalty under this subchapter. The guidelines shall include a penalty calculation worksheet that specifies the typical penalty for certain violations, circumstances justifying enhancement of a penalty and the amount of the enhancement, and circumstances justifying a reduction in a penalty and the amount of the reduction. The guidelines shall take into account:

(1)  the person's history of previous violations of Section 121.201 or a safety standard or other rule prescribed or adopted under this subchapter [~~that section~~], including the number of previous violations;

(2)  the seriousness of the violation and of any pollution resulting from the violation;

(3)  any hazard to the health or safety of the public;

(4)  the degree of culpability;

(5)  the demonstrated good faith of the person charged; and

(6)  any other factor the commission considers relevant.

SECTION 2.  Subchapter E, Chapter 121, Utilities Code, is amended by adding Section 121.213 to read as follows:

Sec. 121.213.  INSTALLATION, REMOVAL, AND REPLACEMENT OF CERTAIN PIPELINES. (a) In this section, "distribution gas pipeline facility" means a pipeline facility that distributes natural gas directly to end-use customers.

(b)  A distribution gas pipeline facility operator may not install as part of the operator's underground system a cast iron, wrought iron, or bare steel pipeline.

(c)  The railroad commission by rule shall require the operator of a distribution gas pipeline facility system to:

(1)  develop and implement a risk-based program for the removal or replacement of underground distribution gas pipeline facilities; and

(2)  annually remove or replace at least eight percent of underground distribution gas pipeline facilities posing the greatest risk in the system and identified for replacement under the program.

(d)  A distribution gas pipeline facility operator shall replace any known cast iron pipelines installed as part of the operator's underground system not later than December 31, 2021.

(e)  Subsection (d) and this subsection expire September 1, 2023.

SECTION 3.  The Railroad Commission of Texas shall adopt any rules necessary to implement the changes in law made by this Act not later than December 31, 2019.

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

    President of the Senate Speaker of the House

I certify that H.B. No. 866 was passed by the House on May 3, 2019, by the following vote:  Yeas 123, Nays 17, 2 present, not voting.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chief Clerk of the House

I certify that H.B. No. 866 was passed by the Senate on May 19, 2019, by the following vote:  Yeas 28, Nays 3.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary of the Senate

APPROVED:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                    Date

           \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                  Governor