

By: Bailes

H.B. No. 2714

Substitute the following for H.B. No. 2714:

By: Paddie

C.S.H.B. No. 2714

A BILL TO BE ENTITLED

AN ACT

relating to the registration of liquefied petroleum gas container manufacturers and the regulation of liquefied petroleum gas licensees; authorizing fees.

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

SECTION 1. The heading to Subchapter D, Chapter 113, Natural Resources Code, is amended to read as follows:

SUBCHAPTER D. LICENSING AND REGISTRATION

SECTION 2. Subchapter D, Chapter 113, Natural Resources Code, is amended by adding Section 113.080 to read as follows:

Sec. 113.080. DEFINITIONS. In this subchapter:

(1) "Carrier" means a person licensed for transportation of LP-gas by transport, including the loading and unloading of LP-gas, and the installation and repair of transport systems.

(2) "Portable cylinder exchange service" means an operation conducted under a commission license for the sale of LP-gas in portable cylinders that are not filled on site and that have an LP-gas capacity not greater than 21 pounds.

(3) "Retail and wholesale dealer" means a person licensed for any LP-gas activity except:

(A) the assembly, repair, subframing, or testing of LP-gas containers; or

(B) the sale or installation of motor fuel

1 systems or mobile fuel systems that have an engine with a rating of  
2 more than 25 horsepower.

3 (4) "Testing laboratory" means a person licensed for  
4 testing containers, motor fuel systems or mobile fuel systems,  
5 transfer systems, or transport systems for the purpose of  
6 determining the safety of the containers or systems for LP-gas  
7 service, including the necessary installation, disconnection,  
8 reconnection, testing, or repair of motor fuel systems or mobile  
9 fuel systems, transfer systems, or transport systems involved in  
10 the testing of containers.

11 (5) "Transport outfitter" means a person licensed to:  
12 (A) subframe, test, or sell LP-gas transport  
13 containers;  
14 (B) test LP-gas storage containers;  
15 (C) install, test, or sell motor fuel containers  
16 and systems or mobile fuel containers and systems;  
17 (D) install transport systems; or  
18 (E) repair transport systems, motor fuel  
19 systems, or mobile fuel systems.

20 SECTION 3. Sections 113.081(a), (b), (c), (d), and (e),  
21 Natural Resources Code, are amended to read as follows:

22 (a) Unless otherwise stated in this chapter, a ~~[no]~~ person  
23 may not engage in any of the following activities unless that person  
24 has obtained a license from the commission authorizing that  
25 activity:

26 (1) container activities: the ~~[manufacture,]~~  
27 assembly, repair, testing, sale, installation, or subframing of

1 containers for use in this state, except that a [~~no~~] license is not  
2 required for the sale of a new container of 96 pounds water capacity  
3 or less;

4 (2) systems activities: the installation, service,  
5 and repair of systems for use in this state, including the laying or  
6 connecting of pipes and fittings connecting with or to systems or  
7 serving a system and appliances to be used with LP-gas [~~liquefied~~  
8 ~~petroleum gas~~] as a fuel;

9 (3) appliance activities: the service, installation,  
10 and repair of appliances used or to be used in this state in  
11 connection with systems using LP-gas [~~liquefied petroleum gas~~] as a  
12 fuel, except that a [~~no~~] license is not [~~shall be~~] required for  
13 installation or connection of manufactured unvented appliances to  
14 LP-gas [~~LPG~~] systems by means of LP-gas [~~LPG~~] appliance connectors,  
15 or where only duct or electrical work is performed to or on an  
16 LP-gas appliance; or

17 (4) product activities: the sale, transportation,  
18 dispensation, or storage of LP-gas [~~liquefied petroleum gas~~] in  
19 this state, except that a [~~no~~] license is not [~~shall be~~] required to  
20 sell LP-gas [~~LPG~~] where the vendor never obtains possessory rights  
21 to the product sold or where the product is transported or stored by  
22 the ultimate consumer for personal consumption only.

23 (b) The licensing requirements [~~provisions~~] of Subsection  
24 (a) [~~of this section do not~~] apply to a person other than a  
25 political subdivision who [~~is not engaged in business as provided~~  
26 ~~in Section 113.082 of this code. A person, except a political~~  
27 ~~subdivision, is considered to be engaged in business as provided in~~

1 ~~Section 113.082 of this code if such person~~ installs or services a  
2 ~~[an LPG]~~ motor fuel system or mobile fuel system on a motor vehicle  
3 used in the transportation of the general public. ~~[The provisions~~  
4 ~~of]~~ Subsections (a)(1) and (a)(2) ~~[of this section]~~ do not apply to  
5 intermodal containers or intermodal portable tanks constructed in  
6 accordance with United States Department of Transportation  
7 specifications.

8 (c) The licensing requirements of Subsection (a) do not  
9 apply to a ~~[A mobile home park operator will not be deemed to be a~~  
10 ~~person engaged in business as provided in Section 113.082 of this~~  
11 ~~code if such]~~ mobile home park operator who does not obtain any  
12 ~~[obtains no]~~ possessory rights to LP-gas products, and utilizes  
13 only LP-gas licensees in the installation and maintenance of the  
14 LP-gas containers and system. For purposes of this subsection, the  
15 term "mobile home park operator" means an individual or business  
16 entity owning or operating a place, divided into sites, at which the  
17 primary business is the rental or leasing of the sites to persons  
18 for use in occupying mobile homes as dwellings. "Mobile home" has  
19 the meaning set out in Chapter 1201, Occupations Code.

20 (d) The commission by rule may exempt ~~[from Section~~  
21 ~~113.082(a)(4) of this code]~~ journeymen or master plumbers licensed  
22 by the Texas State Board of Plumbing Examiners from the license  
23 requirements of Subsection (a).

24 (e) The commission by rule may exempt ~~[from Section~~  
25 ~~113.082(a)(4) of this code]~~ a person licensed under Chapter 1302,  
26 Occupations Code, from the license requirements of Subsection (a).

27 SECTION 4. Subchapter D, Chapter 113, Natural Resources

1 Code, is amended by adding Section 113.0815 to read as follows:

2 Sec. 113.0815. REGISTRATION OF CONTAINER MANUFACTURERS AND  
3 FABRICATORS. (a) A person may not engage in the manufacture or  
4 fabrication of containers for use in this state unless the person  
5 registers with the commission in accordance with rules adopted by  
6 the commission.

7 (b) A registration under this section must be renewed  
8 annually.

9 SECTION 5. Section 113.082, Natural Resources Code, is  
10 amended to read as follows:

11 Sec. 113.082. CATEGORIES OF LP-GAS [~~LPG~~] ACTIVITIES; FEES.

12 (a) The commission by rule shall establish license categories for  
13 LP-gas activities [~~A prospective licensee in LPG may apply to the~~  
14 ~~commission for a license to engage in any one or more of the~~  
15 ~~following categories of LPG activities:~~

16 [~~(1) container manufacturers/fabricators: the~~  
17 ~~manufacture, fabrication, assembly, repair, installation,~~  
18 ~~subframing, testing, and sale of LPG containers, including LPG~~  
19 ~~motor or mobile fuel containers and systems, and the repair and~~  
20 ~~installation of transport and transfer systems;~~

21 [~~(2) transport outfitters: the subframing, testing,~~  
22 ~~and sale of LPG transport containers, the testing of LPG storage~~  
23 ~~containers, the installation, testing, and sale of LPG motor or~~  
24 ~~mobile fuel containers and systems, and the installation and repair~~  
25 ~~of transport systems, and motor or mobile fuel systems;~~

26 [~~(3) carriers: the transportation of LPG by~~  
27 ~~transport, including the loading and unloading of LPG, and the~~

1 ~~installation and repair of transport systems;~~

2 ~~[(4) general installers and repairmen: the sale,~~  
3 ~~service, and installation of containers, excluding motor fuel~~  
4 ~~containers, and the service, installation, and repair of piping,~~  
5 ~~certain appliances as defined by rule, excluding recreational~~  
6 ~~vehicle appliances and LPG systems, excluding motor fuel and~~  
7 ~~recreational vehicle systems;~~

8 ~~[(5) retail and wholesale dealers: the storage, sale,~~  
9 ~~transportation, and distribution of LPG at retail and wholesale,~~  
10 ~~and all other activities included in this section except the~~  
11 ~~manufacture, fabrication, assembly, repair, subframing, and~~  
12 ~~testing of LPG containers, and except the sale and installation of~~  
13 ~~LPG motor or mobile fuel systems that have an engine with a rating~~  
14 ~~of more than 25 horsepower;~~

15 ~~[(6) cylinder filling: the operation of a~~  
16 ~~cylinder-filling facility, including cylinder filling, the sale of~~  
17 ~~LPG in cylinders, and the replacement of a cylinder valve;~~

18 ~~[(7) service station: the operation of an LPG service~~  
19 ~~station filling ASME containers designed for motor and mobile fuel;~~

20 ~~[(8) cylinder dealers: the transportation and sale of~~  
21 ~~LPG in cylinders;~~

22 ~~[(9) service station and cylinder filling: any~~  
23 ~~service station and cylinder activity set out in Subdivisions (6)~~  
24 ~~and (7);~~

25 ~~[(10) service station and cylinder facilities: the~~  
26 ~~operation of a cylinder-filling facility, including cylinder~~  
27 ~~filling and the sale, transportation, installation, and connection~~

1 ~~of LPG in cylinders, the replacement of cylinder valves, and the~~  
2 ~~operation of an LPG service station as set out in Subdivision (7);~~

3 ~~[(11) distribution system: the sale and distribution~~  
4 ~~of LPG through mains or pipes and the installation and repair of LPG~~  
5 ~~systems;~~

6 ~~[(12) engine fuel: the sale and installation of LPG~~  
7 ~~motor or mobile fuel containers, and the sale and installation of~~  
8 ~~LPG motor or mobile fuel systems;~~

9 ~~[(13) recreational vehicle installers and repairmen:~~  
10 ~~the sale, service, and installation of recreational vehicle~~  
11 ~~containers, and the installation, repair, and service of~~  
12 ~~recreational vehicle appliances, piping, and LPG systems,~~  
13 ~~including recreational vehicle motor or mobile fuel systems and~~  
14 ~~containers;~~

15 ~~[(14) manufactured housing installers and repairmen:~~  
16 ~~the service and installation of containers that supply fuel to~~  
17 ~~manufactured housing, and the installation, repair, and service of~~  
18 ~~appliances and piping systems for manufactured housing;~~

19 ~~[(15) testing laboratory: the testing of an LP-gas~~  
20 ~~container, LP-gas motor fuel systems or mobile fuel systems,~~  
21 ~~transfer systems, and transport systems for the purpose of~~  
22 ~~determining the safety of the container or systems for LP-gas~~  
23 ~~service, including the necessary installation, disconnection,~~  
24 ~~reconnecting, testing, and repair of LPG motor fuel systems or~~  
25 ~~mobile fuel systems, transfer systems, and transport systems~~  
26 ~~involved in the testing of containers; or~~

27 ~~[(16) portable cylinder exchange: the operation of a~~

1 ~~portable cylinder exchange service, where the sale of LP-gas is~~  
2 ~~within a portable cylinder with an LP-gas capacity not to exceed 21~~  
3 ~~pounds, the portable cylinders are not filled on site, and no other~~  
4 ~~LP-gas activity requiring a license is conducted].~~

5 (b) The commission by rule shall establish reasonable  
6 application and original license fees and renewal fees for each  
7 type of license category established under Subsection (a) [~~listed~~  
8 ~~in this section~~].

9 SECTION 6. Section [113.084\(b\)](#), Natural Resources Code, is  
10 amended to read as follows:

11 (b) A prospective licensee shall submit the required  
12 application together with the original nonrefundable license fee  
13 established by the commission under Section [113.082](#) for each type  
14 of license category for which an application is made. The applicant  
15 shall submit additional information and data with each application  
16 as the commission may reasonably require.

17 SECTION 7. Sections [113.087\(c\)](#), (d), and (g), Natural  
18 Resources Code, are amended to read as follows:

19 (c) An [~~Each~~] individual who will be actively supervising  
20 [~~those~~] operations that require a [~~requiring any~~] license under  
21 this chapter, other than a portable cylinder exchange service [~~a~~  
22 ~~license under Section [113.082\(a\)\(16\)](#)], at any outlet or location,~~  
23 [~~as designated by the commission,~~] shall be required to provide  
24 good and sufficient proof through examination that the supervisor  
25 has a working knowledge of the safety requirements and penalties in  
26 this chapter and the rules of the commission which apply to that  
27 type of license. A [~~Each~~] licensee [~~under Section [113.082\(a\)\(5\)](#)]~~



1 who provides portable cylinders to a licensee operating a portable  
2 cylinder exchange service [~~under Section 113.082(a)(16)~~] shall:

3 (1) prepare or obtain a manual approved by the  
4 commission covering the proper procedures for handling LP-gas in  
5 the portable cylinder exchange process;

6 (2) provide a copy of the manual to each outlet or  
7 location of the licensee operating the portable cylinder exchange  
8 service [~~under Section 113.082(a)(16)~~]; and

9 (3) provide training approved by the commission  
10 regarding the contents of the manual to each individual who will be  
11 actively supervising operation of the portable cylinder exchange  
12 service [~~operations requiring a license under Section~~  
13 ~~113.082(a)(16)~~] at each outlet or location.

14 (d) As determined by commission rule, each individual who is  
15 or will be utilized by a licensee or a public employee of the state,  
16 the federal government, or a state or federal subdivision in  
17 LPG-related activities shall be required to provide good and  
18 sufficient proof through examination that the employee has a  
19 working knowledge of the safety requirements in the rules of the  
20 commission relating to the activity or activities. Should the  
21 commission determine that an individual has a history of failure to  
22 comply with the requirements of this code or with the rules of the  
23 commission, the commission shall promptly notify the individual in  
24 writing [~~mail-written notification~~] of failure to qualify for  
25 LP-gas employee certification and the reasons therefor [~~to the~~  
26 ~~registrant~~]. Written notice by the commission, a written request  
27 for a hearing, and the public hearing itself shall be governed by

1 Section 113.091.

2 (g) In no event shall an original or renewal license be  
3 issued to an applicant whose listed representative has not  
4 maintained qualified status, as defined by rule, or to any person  
5 who has a history of failure to comply with the requirements of this  
6 code or with the rules of the commission. The commission shall have  
7 written notification of license denial and the reasons therefor  
8 prepared promptly and provided ~~mailed~~ to both the representative  
9 and the license applicant. Written notice by the commission, a  
10 written request for a hearing, and the public hearing itself shall  
11 be governed by Section 113.091 ~~[of this code]~~.

12 SECTION 8. Sections 113.089(a) and (c), Natural Resources  
13 Code, are amended to read as follows:

14 (a) If application is made for a license by a retail and  
15 wholesale dealer ~~[under Section 113.082(a)(5)]~~ or for any other  
16 type of license specified by commission rule, the commission, in  
17 addition to other requirements, shall have an actual inspection  
18 conducted of any and all facilities, bulk storage equipment,  
19 transportation equipment, and dispensing equipment of the  
20 applicant to verify satisfactory compliance with all current safety  
21 laws, rules, and practices. The inspection may be waived by the  
22 commission on an application resulting solely from a change in  
23 legal entities under which a current licensee operates.

24 (c) A license for which an inspection under Subsection (a)  
25 is required may ~~[under Section 113.082(a)(5) and any other type of~~  
26 ~~license specified by commission rule shall]~~ not be issued until the  
27 inspection ~~[under Subsection (a) of this section]~~ verifies the

1 applicant to be in satisfactory compliance with all current safety  
2 laws, rules, and practices.

3 SECTION 9. Section 113.091(a), Natural Resources Code, is  
4 amended to read as follows:

5 (a) If [~~Should~~] an applicant fails [~~fail~~] to meet the  
6 requirements for original or renewal licensing set out in this  
7 chapter, the commission shall promptly send notice to the applicant  
8 specifying [~~have written notification prepared promptly and mailed~~  
9 ~~to the applicant. The notice shall specify~~] the reason for the  
10 applicant's failure to qualify for license and advising [~~advise~~]  
11 the applicant of the right to request a hearing.

12 SECTION 10. Sections 113.097(a), (b), (c), (d), (f), and  
13 (h), Natural Resources Code, are amended to read as follows:

14 (a) The commission shall not issue a license authorizing  
15 LP-gas activities [~~under Section 113.082 of this code~~] or renew an  
16 existing license unless the applicant for license or license  
17 renewal provides proof of required insurance coverage with an  
18 insurance carrier authorized to do business in this state as  
19 evidenced by a certificate of authority having been issued to the  
20 carrier by the Texas Department of Insurance or, if the applicant is  
21 unable to obtain coverage from such a carrier, provides, on  
22 approval of the commission, proof of required insurance coverage  
23 issued by a surplus lines insurer that meets the requirements of  
24 Chapter 981, Insurance Code, and rules adopted by the commissioner  
25 of insurance under that chapter.

26 (b) A licensee may [~~shall~~] not perform an LP-gas [~~any~~  
27 ~~licensed~~] activity licensed by the commission [~~under Section~~

1 ~~113.082 of this code~~] unless the insurance coverage required by  
2 this chapter is in effect.

3 (c) Except as provided in Section ~~113.099~~ ~~[of this code]~~,  
4 the types and amounts of insurance provided in Subsections (d)  
5 through (i) ~~[of this section]~~ are required while engaged in an  
6 LP-gas activity licensed by the commission ~~[any of the activities~~  
7 ~~set forth in Section 113.082 of this code]~~ or any activity  
8 incidental thereto.

9 (d) A person licensed to transport LP-gas ~~[Each licensee~~  
10 ~~under Section 113.082(a)(3), (5), (8), or (10)]~~ must carry motor  
11 vehicle bodily injury and property damage liability coverage on  
12 each motor vehicle, including trailers and semitrailers, used to  
13 transport LP-gas. The commission shall establish by rule a  
14 reasonable amount of coverage to be maintained, except that  
15 coverage may ~~[shall]~~ not be less than the amounts required as  
16 evidence of financial responsibility under Chapter 601,  
17 Transportation Code.

18 (f) A ~~[Each]~~ licensee, other than a licensee operating a  
19 portable cylinder exchange service ~~[category "P" licensee]~~, must  
20 acquire and maintain appropriate workers' compensation or coverage  
21 for its employees under policies of work-related accident,  
22 disability, and health insurance, including coverage for death  
23 benefits, from an insurance carrier authorized to provide coverage  
24 in this state, in the amounts required by the commission.

25 (h) As required by commission rule, a person registered  
26 under Section 113.0815 or licensed as a transport outfitter,  
27 carrier, retail and wholesale dealer, or testing laboratory

1 [~~licensee under Section 113.082(a)(1), (2), (3), (5), or (15)]~~ must  
2 carry completed operations or products liability insurance, or  
3 both, in a reasonable amount, based on the type or types of  
4 registered or licensed activities.

5 SECTION 11. Sections 113.099(a) and (d), Natural Resources  
6 Code, are amended to read as follows:

7 (a) A person licensed to transport LP-gas [~~licensee or an~~  
8 ~~applicant for a license under Section 113.082(a)(3), (5), (8), or~~  
9 ~~(10)] that does not operate or contemplate the operation of a motor  
10 vehicle equipped with an LP-gas cargo container and does not  
11 transport or contemplate the transportation of LP-gas by vehicle in  
12 any manner, may make and file with the commission a statement to  
13 that effect in lieu of filing a certificate of motor vehicle bodily  
14 injury and property damage insurance.~~

15 (d) A person registered under Section 113.0815 or licensed  
16 as a transport outfitter, carrier, retail and wholesale dealer, or  
17 testing laboratory [~~licensee or an applicant for a license under~~  
18 ~~Section 113.082(a)(1), (2), (3), (5), or (15)] that does not engage  
19 in or contemplate engaging in any LP-gas operations which would be  
20 covered by completed operations or products liability insurance, or  
21 both, for a period of time may make and file with the commission a  
22 statement to that effect in lieu of filing a certificate of  
23 insurance.~~

24 SECTION 12. Not later than January 1, 2020, the Railroad  
25 Commission of Texas shall adopt rules required by Chapter 113,  
26 Natural Resources Code, as amended by this Act.

27 SECTION 13. This Act takes effect September 1, 2019.