88R22976 SHH-D

By:  Dean, King of Hemphill, Darby, Landgraf, H.B. No. 3368

     Geren, et al.

Substitute the following for H.B. No. 3368:

By:  Harless C.S.H.B. No. 3368

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain transactions involving oil and gas tubing.

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

SECTION 1.  Section 1956.001, Occupations Code, is amended by adding Subdivision (7-a) and amending Subdivision (10) to read as follows:

(7-a)  "Oil and gas tubing" means steel pipe with a nominal outside diameter between one inch and eight inches and a total length of 10 feet or longer, commonly used in the process of drilling and completing oil and gas wells.

(10)  "Regulated metal" means:

(A)  manhole covers;

(B)  guardrails;

(C)  metal cylinders designed to contain compressed air, oxygen, gases, or liquids;

(D)  malt beverage kegs made from metal other than aluminum;

(E)  historical markers or cemetery vases, receptacles, or memorials made from metal other than aluminum;

(F)  unused rebar;

(G)  street signs;

(H)  drain gates;

(I)  safes;

(J)  communication, transmission, and service wire or cable;

(K)  condensing or evaporator coils for central heating or air conditioning units;

(L)  utility structures, including the fixtures and hardware;

(M)  aluminum or stainless steel containers designed to hold propane for fueling forklifts;

(N)  metal railroad equipment, including tie plates, signal houses, control boxes, signs, signals, traffic devices, traffic control devices, traffic control signals, switch plates, e-clips, and rail tie functions;

(O)  catalytic converters not attached to a vehicle;

(P)  fire hydrants;

(Q)  metal bleachers or other seating facilities used in recreational areas or sporting arenas;

(R)  any metal item clearly and conspicuously marked with any form of the name, initials, or logo of a governmental entity, utility, cemetery, or railroad;

(S)  insulated utility, communications, or electrical wire that has been burned in whole or in part to remove the insulation;

(T)  backflow valves;

(U)  metal in the form of commonly recognized products of the industrial metals recycling process, including bales, briquettes, billets, sows, ingots, pucks, and chopped or shredded metals; [~~and~~]

(V)  commercial grade lead batteries or lead-acid batteries; and

(W)  oil and gas tubing.

SECTION 2.  Section 1956.002, Occupations Code, is amended to read as follows:

Sec. 1956.002.  EXCEPTION. This chapter does not apply to:

(1)  a purchase of regulated material from a public utility, a telecommunications provider as defined by Section 51.002, Utilities Code, a cable service provider as defined by Section 66.002, Utilities Code, a video service provider as defined by Section 66.002, Utilities Code, or a manufacturing, industrial, commercial, retail, or other seller that sells regulated material in the ordinary course of the seller's business;

(2)  a purchase of regulated material by a manufacturer whose primary business is the manufacture of iron and steel products made from melting scrap iron and scrap steel; [~~or~~]

(3)  the transport or hauling of recyclable materials to or from the metal recycling entity; or

(4)  a purchase or sale of oil and gas tubing by an organization whose primary business is the extraction, refining, or transport of oil and gas, or that has been issued a Railroad Commission of Texas operator number.

SECTION 3.  Subchapter A, Chapter 1956, Occupations Code, is amended by adding Section 1956.0021 to read as follows:

Sec. 1956.0021.  APPLICATION TO CERTAIN OIL AND GAS TUBING TRANSACTIONS. The recordkeeping and reporting requirements of this chapter apply to a purchase of oil and gas tubing by a person whose primary business is purchasing and reselling oil and gas tubing to the same extent as a purchase of regulated material by a metal recycling entity.

SECTION 4.  Section 1956.017(b), Occupations Code, is amended to read as follows:

(b)  The advisory committee consists of 16 [~~15~~] members appointed by the director as follows:

(1)  one representative of the department;

(2)  two representatives of local law enforcement agencies located in different municipalities, each with a population of 500,000 or more;

(3)  two representatives of local law enforcement agencies located in different municipalities, each with a population of 200,000 or more but less than 500,000;

(4)  one representative of a local law enforcement agency located in a municipality with a population of less than 200,000;

(5)  five representatives of metal recycling entities;

(6)  three [~~two~~] members who represent industries that are impacted by theft of regulated material, at least one of whom represents the oil and gas industry;

(7)  one sheriff of a county with a population of 500,000 or more; and

(8)  one sheriff of a county with a population of less than 500,000.

SECTION 5.  As soon as practicable after the effective date of this Act:

(1)  the Public Safety Commission shall adopt rules to implement the changes in law made by this Act to Chapter 1956, Occupations Code; and

(2)  the public safety director of the Department of Public Safety shall appoint a member to the advisory committee under Section 1956.017, Occupations Code, as amended by this Act, in accordance with that section.

SECTION 6.  This Act takes effect September 1, 2023.