

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

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

By: Harless

C.S.H.B. No. 3368

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

8 (7-a) "Oil and gas tubing" means steel pipe with a
9 nominal outside diameter between one inch and eight inches and a
10 total length of 10 feet or longer, commonly used in the process of
11 drilling and completing oil and gas wells.

12 (10) "Regulated metal" means:

13 (A) manhole covers;

14 (B) guardrails;

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

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

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

21 (F) unused rebar;

22 (G) street signs;

23 (H) drain gates;

24 (I) safes;

- 1 (J) communication, transmission, and service
2 wire or cable;
- 3 (K) condensing or evaporator coils for central
4 heating or air conditioning units;
- 5 (L) utility structures, including the fixtures
6 and hardware;
- 7 (M) aluminum or stainless steel containers
8 designed to hold propane for fueling forklifts;
- 9 (N) metal railroad equipment, including tie
10 plates, signal houses, control boxes, signs, signals, traffic
11 devices, traffic control devices, traffic control signals, switch
12 plates, e-clips, and rail tie functions;
- 13 (O) catalytic converters not attached to a
14 vehicle;
- 15 (P) fire hydrants;
- 16 (Q) metal bleachers or other seating facilities
17 used in recreational areas or sporting arenas;
- 18 (R) any metal item clearly and conspicuously
19 marked with any form of the name, initials, or logo of a
20 governmental entity, utility, cemetery, or railroad;
- 21 (S) insulated utility, communications, or
22 electrical wire that has been burned in whole or in part to remove
23 the insulation;
- 24 (T) backflow valves;
- 25 (U) metal in the form of commonly recognized
26 products of the industrial metals recycling process, including
27 bales, briquettes, billets, sows, ingots, pucks, and chopped or

1 shredded metals; ~~and~~

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

4 (W) oil and gas tubing.

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

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

8 (1) a purchase of regulated material from a public
9 utility, a telecommunications provider as defined by Section
10 51.002, Utilities Code, a cable service provider as defined by
11 Section 66.002, Utilities Code, a video service provider as defined
12 by Section 66.002, Utilities Code, or a manufacturing, industrial,
13 commercial, retail, or other seller that sells regulated material
14 in the ordinary course of the seller's business;

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

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

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

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

26 Sec. 1956.0021. APPLICATION TO CERTAIN OIL AND GAS TUBING
27 TRANSACTIONS. The recordkeeping and reporting requirements of this

1 chapter apply to a purchase of oil and gas tubing by a person whose
2 primary business is purchasing and reselling oil and gas tubing to
3 the same extent as a purchase of regulated material by a metal
4 recycling entity.

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

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

9 (1) one representative of the department;

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

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

16 (4) one representative of a local law enforcement
17 agency located in a municipality with a population of less than
18 200,000;

19 (5) five representatives of metal recycling entities;

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

23 (7) one sheriff of a county with a population of
24 500,000 or more; and

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

27 SECTION 5. As soon as practicable after the effective date

1 of this Act:

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

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

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