

SUBJECT: Limited liability for installing propane gas systems in motor vehicles

COMMITTEE: Energy Resources — favorable, without amendment

VOTE: 7 ayes — Holzheuser, Hawley, Davis, Driver, Merritt, Moffat, Torres

0 nays

2 absent— Smithee, Wilson

WITNESSES: For — John Danks and Johnny B. Rogers Jr., Texas Propane Gas Inc.

Against — None

BACKGROUND
:
The 73rd Legislature amended the Natural Resource Code to provide Texas propane dealers immunity from damages caused solely by a malfunction or improper operation of a liquified petroleum gas (LPG) system that they installed or serviced in a residential, commercial or public building, so long as the installer was licensed to perform the installation and did so in compliance with safety rules, was not negligent, had not supplied a defective product, and had no control over operation of the system.

DIGEST: HB 1180 would expand the liability immunity to including installing or servicing LPG systems in motor vehicles.

The bill would take immediate effect if finally approved by a two-thirds record vote of the membership in each house, and would apply only to a cause of action occurring on or after its effective date.

SUPPORTERS
SAY: HB 1180 would rectify an unintended oversight in current law. The intent behind current law was to extend liability immunity to installing or servicing LPG systems, barring such extenuating circumstances as negligence or noncompliance with safety procedures. In this regard, motor vehicles should be treated no differently from facilities in which propane systems are installed; the same immunity to liability should cover licensed installers in all circumstances.

The current liability immunity is aimed at shielding propane system installers from frivolous lawsuits and high liability insurance costs for improper operation of systems over which they have no control. Blame for malfunction or improper operation of an LPG system should rest with the manufacturer or operator, not the installer, unless the installer was directly at fault.

Relieving the burden of high insurance costs for installers helps lower installation costs for consumers and allows clean, efficient LPG to be more competitive with other fuels. Encouraging LPG conversion for motor vehicles would help promote cleaner air and more efficient use of energy.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

The companion bill, SB 847 by Armbrister, has been referred to the Senate State Affairs Committee.