

SUBJECT: Removing certain licensure requirements, categories for LP-gas activities

COMMITTEE: Energy Resources — committee substitute recommended

VOTE: 8 ayes — Paddie, Herrero, Bailes, Darby, Gutierrez, Harris, Perez, Rosenthal

1 nay — Craddick

2 absent — Anchia, Geren

WITNESSES: For — (*Registered, but did not testify*: Paula Bulcao, BP America, Inc.; Tom Sellers, ConocoPhillips; Ryan Paylor, Texas Independent Producers and Royalty Owners Association)

Against — None

On — April Richardson, Railroad Commission of Texas; (*Registered, but did not testify*: Haley Cochran and Corey Crawford, Railroad Commission of Texas)

BACKGROUND: Natural Resources Code sec. 113.081, requires individuals to be licensed by the Railroad Commission of Texas to engage in certain liquefied petroleum gas (LP-gas) related activities, including the manufacture, assembly, repair, testing, sale, installation, or subframing of LP-gas containers for use in the state.

Sec. 113.082 outlines 16 categories of LP-gas activities for which a person may apply to the commission for licensure.

DIGEST: CSHB 2714 would remove the licensure requirement for liquefied petroleum gas (LP-gas) container manufacturers. Instead, a person would be required to register with the Railroad Commission of Texas (RRC) in order to engage in the manufacture or fabrication of containers for use in the state. Registration would have to be renewed annually.

The bill would eliminate statutorily defined categories of LP-gas activities for which a person could apply for licensure and instead require RRC to establish by rule license categories for LP-gas activities.

CSHB 2714 also would remove a requirement that certain RRC notifications be mailed.

The bill would take effect September 1, 2019, and RRC would have to adopt required rules by January 1, 2020.

**SUPPORTERS
SAY:**

CSHB 2714 would streamline portions of the Railroad Commission's (RRC's) liquefied petroleum gas (LP-gas) licensure requirements and eliminate duplicative regulation standards for LP-gas container manufacturers.

Current law requires a person to be licensed by RRC to manufacture LP-gas containers for use in the state. However, LP-gas container manufacturers already are subject to American Society of Mechanical Engineers standards and U.S. Department of Transportation regulations, rendering additional state regulation unnecessary. Under CSHB 2714, LP-gas container manufacturers would register with, rather than be licensed by, the RRC, lowering their regulatory burden while allowing RRC to oversee compliance with industry and federal standards.

The bill would allow RRC to modify its rules to reflect changes within the LP-gas industry. Current laws lists 16 separate licensing categories for LP-gas activities. If a new type of activity emerged, the Legislature would have to amend statute to include it. By eliminating the statutorily defined licensing categories and instead requiring RRC to identify the categories by rule, CSHB 2714 would allow for greater regulatory flexibility and a more timely response to industry changes.

**OPPONENTS
SAY:**

No concerns identified.