

BILL ANALYSIS

Senate Research Center
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S.B. 532
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Natural Resources & Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 532 removes the requirement that compressed natural gas and liquefied natural gas container manufacturers be licensed by the Railroad Commission of Texas (railroad commission), and instead simply requires that these manufacturers be registered with the railroad commission. The bill proposes that these manufacturers simply be registered with the railroad commission because the current licensure requirement is duplicative of standards established by the American Society of Civil Engineers (ASME) and United States Department of Transportation (USDOT) that these manufacturers must comply with. The registration requirement in S.B. 532 is less burdensome on the manufacturers, yet will still enable the railroad commission to verify that manufacturers are complying with federal standards and regulations.

State law currently requires the licensure of persons who sell compressed natural gas and liquefied natural gas systems. The bill further removes the requirement that persons who sell compressed natural gas or liquefied natural gas systems for use in Texas be licensed by the railroad commission. These systems are available for purchase from vendors outside of Texas and the railroad commission cannot identify those out-of-state vendors who sell these systems to Texas consumers. There will be no adverse impact to the safe usage of these systems as individuals who install CNG and LNG systems would still be required to follow state licensure and safety requirements.

As proposed, S.B. 532 amends current law relating to the licensure and registration of persons engaged in certain activities pertaining to compressed natural gas or liquefied natural gas containers and systems.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 1 (Section 116.031, Natural Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 116.031, Natural Resources Code, by amending Subsection (a) and adding Subsection (e), as follows:

(a) Requires a person to obtain a license from the Railroad Commission of Texas (railroad commission), unless otherwise provided in this chapter or by railroad commission rule, to engage in any of the following activities:

- (1) deletes existing text including manufacture among certain work relating to CNG Cylinders or LNG containers for use in this state;
- (2) deletes existing text including sale among certain work relating to a CNG or LNG motor fuel system on a vehicle used in the transportation of the general public; or
- (3) makes no changes to this subdivision.

(e) Requires the railroad commission to adopt rules providing for the registration of persons engaged in the manufacture of CNG cylinders or LNG containers for use in this state.

SECTION 2. Effective date: September 1, 2019.