

SUBJECT: Liability protection for licensed LPG system installers

COMMITTEE: Civil Practices — favorable, without amendment

VOTE: 5 ayes — T. Hunter, Culberson, Hartnett, Tillery, Zbranek
0 nays
4 absent — Hilbert, Alvarado, Moffat, Sadler

SENATE VOTE: On final passage, March 22 — 30-0

WITNESSES: For — Patricia T. Mandt, Oliver Pennington and Mary Canfield, Harbert Construction
Against — None

BACKGROUND: The 73rd Legislature amended the Natural Resources Code to provide immunity from certain claims for Texas propane dealers. The amendment dealt with damages caused solely by improper operation of a liquefied petroleum gas system that the person installed or serviced in a residential, commercial or public building.

DIGEST: SB 417 would create an exemption from liability for damages caused solely by a malfunction or improper operation of a liquefied petroleum gas system that the person installed or serviced in a motor vehicle.

The bill would apply only to a cause of action for damages arising out of a malfunction or improper operation of an LPG system that occurred on or after the effective date of the bill, which would take immediate effect if approved by two-thirds of the membership of each house.

SUPPORTERS SAY: SB 417 would simply extend the immunity granted to licensed LPG system installers by the 73rd Legislature to persons installing the system in a motor vehicle. The limitation of liability has worked well over the past two years and should be extended to include motor vehicles.
Propane system installers should not be held liable for the malfunction or improper operation of systems they have no control over. Currently,

installers are subject to frivolous lawsuits and unnecessarily high liability insurance costs. Accidents involving LPG systems do not happen as a result of incompetent installation; the Railroad Commission has promulgated strict regulations regarding LPG installation procedures. Blame for malfunction or improper operation should rest with the manufacturer or operator, not the installer.

SB 417 would relieve the burden of high liability insurance rates for installers, lowering the consumer's installation and usage charges. This would allow LPG to be more competitive with other fuels. Use of LPG should be encouraged as it burns more cleanly and efficiently.

**OPPONENTS
SAY:**

This legislation would protect from any liability individuals who might be responsible for dangerous accidents. Its provisions are too broad and would cover even negligent installers. Current laws and regulations are not sufficiently stringent to ensure that installers are not at fault in causing or contributing to accidents involving LPG systems. Holding individuals liable for damages increases the care they use during installation. If installers truly are not responsible for damages, they have adequate protection under current laws governing contributory negligence in damage suits.