

By: Rodriguez of Travis

H.B. No. 2470

A BILL TO BE ENTITLED

AN ACT

relating to liability insurance for ammonium nitrate operations;  
creating a criminal offense.

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

SECTION 1. Section 63.152(b), Agriculture Code, is amended  
to read as follows:

(b) An application for a registration submitted by an  
applicant who owns an ammonium nitrate facility must be:

(1) submitted on a form prescribed by the service that  
includes:

(A) the name, address, and telephone number of  
each ammonium nitrate facility owned by the applicant; ~~and~~

(B) the name of the person designated by the  
applicant as the point of contact for each facility owned by the  
applicant; and

(C) proof of insurance required by Section  
63.1525; and

(2) accompanied by a fee in an amount sufficient to  
cover the service's costs to administer this subchapter.

SECTION 2. Subchapter I, Chapter 63, Agriculture Code, is  
amended by adding Section 63.1525 to read as follows:

Sec. 63.1525. PUBLIC LIABILITY INSURANCE REQUIRED. (a) A  
person may not produce, store, transfer, chemically blend, offer  
for sale, or sell ammonium nitrate or ammonium nitrate material

1 unless the person files with the service a public liability  
2 insurance policy issued by an insurance company authorized to  
3 conduct business in this state and considered acceptable by the  
4 Texas Department of Insurance.

5 (b) The liability insurance policy required by Subsection  
6 (a) must afford bodily injury and property damage protection in an  
7 amount determined by the Texas Department of Insurance to  
8 compensate any person damaged as a result of ammonium nitrate  
9 operations.

10 (c) A person shall maintain the liability insurance policy  
11 required by this section in effect during:

12 (1) the term of a certificate of registration issued  
13 to the person under this subchapter; and

14 (2) any period during which the person is engaged in an  
15 activity described by Subsection (a).

16 (d) The commissioner of insurance shall coordinate with the  
17 state fire marshal, the Department of State Health Services, the  
18 Office of the Texas State Chemist, and other appropriate state  
19 agencies and officials in studying the risk exposure for activities  
20 related to ammonium nitrate and ammonium nitrate material and  
21 assessing the appropriate liability insurance requirements for a  
22 policy required by Subsection (a) based on risk exposure. In  
23 assessing risk exposure, the commissioner and other agencies and  
24 officials shall consider population density and proximity of the  
25 ammonium nitrate operations to individuals, homes, other  
26 buildings, livestock, and other individuals, places, or creatures  
27 that may suffer damage from ammonium nitrate operations.

1 SECTION 3. Section 63.154(a), Agriculture Code, is amended  
2 to read as follows:

3 (a) Before completing a sale of ammonium nitrate or ammonium  
4 nitrate material, a person that engages in those sales shall:

5 (1) require the person making the purchase to:

6 (A) display a driver's license or other form of  
7 identification containing the person's photograph;

8 (B) provide the other personal information  
9 required by Subdivision (2); ~~and~~

10 (C) provide proof of insurance required by  
11 Section 63.1525; and

12 (D) sign for the purchase; and

13 (2) make a record of the sale, including:

14 (A) the name of the person making the purchase;

15 (B) the date of the purchase;

16 (C) the purchaser's address, date of birth, and  
17 phone number;

18 (D) the form of identification the purchaser  
19 presented;

20 (E) whether the purchase is being made on behalf  
21 of another person; and

22 (F) the amount and brand name of the ammonium  
23 nitrate or ammonium nitrate material purchased.

24 SECTION 4. Section 63.157, Agriculture Code, is amended by  
25 adding Subsection (c-1) and amending Subsection (d) to read as  
26 follows:

27 (c-1) A person commits an offense if the person produces,

1 stores, transfers, chemically blends, offers for sale, or sells  
2 ammonium nitrate or ammonium nitrate material without maintaining  
3 liability insurance as provided by this subchapter.

4 (d) An offense under Subsection (a), ~~(c)~~ (c), or (c-1) is a  
5 Class A misdemeanor.

6 SECTION 5. Subchapter I, Chapter 63, Agriculture Code, as  
7 amended by this Act, applies only to a person who produces, stores,  
8 transfers, chemically blends, offers for sale, or sells ammonium  
9 nitrate or ammonium nitrate material on or after March 1, 2016. A  
10 person who produces, stores, transfers, chemically blends, offers  
11 for sale, or sells ammonium nitrate or ammonium nitrate material  
12 before March 1, 2016, is governed by the law in effect immediately  
13 before the effective date of this Act, and that law is continued in  
14 effect for that purpose.

15 SECTION 6. This Act takes effect September 1, 2015.