

Amend CSSB 1952 by adding the following appropriately numbered article to the bill and renumbering remaining articles of the bill as appropriate:

ARTICLE _____. REGULATION OF CERTAIN FIRE PROTECTION

SPRINKLER SYSTEM JOURNEYMEN AND APPRENTICES

SECTION _____.01. Section 1, Article 5.43-3, Insurance Code, is amended by amending Subdivision (12) and adding Subdivisions (15) and (16) to read as follows:

(12) "License" means the document issued to a responsible managing employee or a fire protection sprinkler system contractor employee authorizing same to engage in the fire protection sprinkler system business in this state.

(15) "Fire protection sprinkler system apprentice" means a person who:

(A) installs, alters, maintains, services, or inspects a fire protection sprinkler system or any part of the system as an employee of a fire protection sprinkler system contractor; and

(B) has less than five years of experience as an employee of a contractor.

(16) "Fire protection sprinkler system journeyman" means a person who:

(A) installs, alters, maintains, services, or inspects a fire protection sprinkler system or any part of the system as an employee of a fire protection sprinkler system contractor; and

(B) has at least five years of experience as an employee of a contractor.

SECTION _____.02. Section 2(b), Article 5.43-3, Insurance Code, is amended to read as follows:

(b) This article does not apply to:

(1) an employee of the United States, this state, or any political subdivision of this state who acts as a fire protection sprinkler system contractor for the employing governmental entity;

(2) the plan, sale, installation, maintenance, or servicing of a fire protection sprinkler system in any property

owned by the United States or this state;

(3) a person or organization acting under court order as authorization;

(4) a person or organization that sells or supplies products or materials to a registered fire protection sprinkler system contractor;

(5) an installation, maintenance, or service project for which the total contract price for labor, materials, and all other services is less than \$100, if:

(A) the project is not a part of a complete or more costly project, whether the complete project is to be undertaken by one or more fire protection sprinkler system contractors; or

(B) the project is not divided into contracts of less than \$100 for the purpose of evading this article;

(6) a registered professional engineer acting solely in such professional capacity;

(7) a regular employee of a registered fire protection sprinkler system contractor; ~~[or]~~

(8) an owner or lessee of property that installs a fire protection sprinkler system on the owned or leased property for its own use or for the use by family members and does not offer such property for sale or lease within one year after installation of a fire protection sprinkler system; or

(9) an employee of a fire protection sprinkler system contractor who installs, alters, maintains, services, or inspects fire protection sprinkler systems only in one-family or two-family dwellings as provided by the 2002 edition of the National Fire Protection Association (NFPA) Standard 13D.

SECTION ____ .03. Section 3(a), Article 5.43-3, Insurance Code, is amended to read as follows:

(a) The board shall administer this article and may issue rules necessary to its administration through the State Fire Marshal. Under rules adopted under this subsection, the board shall operate ~~[may create]~~ a specialized licensing or registration program for fire protection sprinkler system contractors and for journeymen and apprentices of those contractors.

SECTION ____ .04. Section 4, Article 5.43-3, Insurance Code, is amended by adding Subsections (c-1), (c-2), and (d-1) and amending Subsection (d) to read as follows:

(c-1) Each employee of a fire protection sprinkler system contractor who installs, alters, maintains, services, or inspects a fire protection sprinkler system and who has at least five years of documented experience as a fire protection sprinkler system employee or apprentice shall obtain a journeyman license. The board shall issue the license conditioned on the successful completion of the examination requirement and other requirements prescribed by the rules adopted under this article. Each applicant for a journeyman license must submit with the application a nonrefundable examination fee in an amount not to exceed \$50.

(c-2) Each employee of a fire protection sprinkler system contractor who installs, alters, maintains, services, or inspects fire protection sprinkler systems and who has less than five years of experience as an employee of a fire protection sprinkler system contractor must register with the board as an apprentice. To be eligible for registration, the applicant must:

(1) meet the requirements prescribed by the rules adopted under this article; and

(2) submit a nonrefundable registration fee in an amount not to exceed \$15.

(d) An initial contractor [A] certificate of registration and an initial managing employee [a] license are valid for a period of one year from the date of issuance [issue] and are renewable [annually] on payment of the renewal [annual] fee[; provided, however, that the initial certificates of registration or licenses issued on or after September 1, 1983, may be issued for periods of less than one year and the annual fee shall be prorated proportionally].

(d-1) A journeyman license and an apprentice certificate of registration are valid for one year from the date of issuance and are renewable annually on the anniversary of the date of issuance on payment of the applicable renewal fee. The renewal fee for a journeyman license is \$20. The renewal fee for an apprentice certificate of registration is \$15.

SECTION ____ .05. Sections 5(a) and (c), Article 5.43-3, Insurance Code, are amended to read as follows:

(a) The board shall not issue a contractor certificate of registration under this article unless the applicant files with the board evidence of a general liability insurance policy that includes products and completed operations coverage. The limits of insurance coverage required by this section shall be in an amount not less than \$100,000 combined single limits for bodily injury and property damage for each occurrence and not less than \$300,000 aggregate for all occurrences per policy year, unless the board increases or decreases the amounts under Section 7 of this article. The policy shall be conditioned to pay on behalf of the insured those amounts that the insured is legally obligated to pay as damages because of bodily injury and property damage caused by an occurrence involving the insured or the insured's servant, officer, agent, or employee in the conduct of any business registered under this article.

(c) Failure to maintain liability insurance required under this section constitutes grounds for the denial, suspension, or revocation of a contractor certificate of registration issued under this article after notice and opportunity for hearing.

SECTION ____ .06. Section 5A(a), Article 5.43-3, Insurance Code, is amended to read as follows:

(a) Each renewal of a license or certificate of registration issued under this article is valid for a period of two years. The managing employee license fee or contractor registration fee for each year of the two-year period is payable on renewal.

SECTION ____ .07. Section 5B, Article 5.43-3, Insurance Code, is amended to read as follows:

Sec. 5B. EXAMINATION. (a) Not later than the 30th day after the day on which an examination is administered under this article, the board shall send notice to each examinee of the results of the examination.

(b) If an examination is graded or reviewed by a national testing service, the board shall send notice to each examinee of the results of the examination within two weeks after the date on which the board receives the results from the testing service. If the

notice of the examination results will be delayed for longer than 90 days after the examination date, the board shall send notice to each examinee of the reason for the delay before the 90th day.

(c) If requested in writing by a person who fails the examination administered under this article, the board shall send to the person an analysis of the person's performance on the examination.

(d) A person who fails the examination for a fire protection sprinkler system journeyman license may not retake the examination before the 90th day after the date of the initial examination.

SECTION ____ .08. Section 5C, Article 5.43-3, Insurance Code, is amended to read as follows:

Sec. 5C. CONTINUING EDUCATION. (a) Except as provided by Subsection (b) of this section, the [~~The~~] board may adopt procedures for certifying and may certify continuing education programs. Participation in the programs is voluntary.

(b) The board shall adopt procedures for certifying and shall certify continuing education programs for fire protection sprinkler system journeymen. A journeyman must successfully complete six hours of continuing education courses on the laws and codes governing fire protection sprinkler systems to be eligible to renew a license under this article.

SECTION ____ .09. Section 8, Article 5.43-3, Insurance Code, is amended to read as follows:

Sec. 8. PROHIBITED ACTS. A person or organization may not:

(1) plan, sell, install, maintain, or service a fire protection sprinkler system without a valid certificate of registration;

(2) act as a fire protection sprinkler system contractor under a certificate of registration without having at least one full-time employee who holds a valid responsible managing employee license; provided, however, that a person or organization with a current certificate of registration may act as a fire protection sprinkler system contractor for 30 days after the death or dissociation of its licensed responsible managing employee or for such longer period as may be approved by the board pursuant to the rules adopted hereunder;

(3) act as a responsible managing employee, journeyman, or apprentice for a fire protection sprinkler system contractor without a valid license or certificate of registration, as applicable;

(4) obtain or attempt to obtain a certificate of registration or license by fraudulent representation; or

(5) plan, sell, install, maintain, or service a fire protection sprinkler system in violation of this article or the rules adopted under this article.

SECTION _____.10. (a) Not later than January 1, 2004, the Texas Department of Insurance and the state fire marshal shall adopt rules and establish the procedures and examination requirements necessary to implement the licensing of fire protection sprinkler system journeymen and the registration of fire protection sprinkler system apprentices under Article 5.43-3, Insurance Code, as amended by this article.

(b) A fire protection sprinkler system journeyman is not required to hold a license under Article 5.43-3, Insurance Code, as amended by this article, before July 1, 2004.

(c) A fire protection sprinkler system apprentice is not required to register under Article 5.43-3, Insurance Code, as amended by this article, before July 1, 2004.

(d) A fire protection sprinkler system employee who has at least five years of experience on the effective date of this article and who applies for a fire protection sprinkler system journeyman license within six months of the effective date of this article is not required to pass a license examination under Article 5.43-3, Insurance Code, as amended by this article, to receive a journeyman license.

SECTION _____.11. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for this article to have immediate effect, this article takes effect September 1, 2003.