

BILL ANALYSIS

C.S.H.B. 1329
By: McReynolds
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Commercial pesticide applicators must carry general liability insurance with an additional endorsement to cover property under their “care, custody, or control”. The State of Texas applies the same regulations to wood treaters and pesticide applicators; however, their business practices differ. Insurance companies are not willing to provide “care, custody, or control” coverage to wood treaters because unlike other pesticide applicators wood treaters service their own products as well as the products of others. As a result insurance companies do not know how to price the “care, custody, or control” product. CSHB 1329 simply removes the requirement for a “care, custody, or control” endorsement from wood treaters general liability policies. It also allows for additional surety alternatives to insurance such as a bond or a certificate of deposit for both pesticide applicators and wood treaters.

RULEMAKING AUTHORITY

It is the committee’s opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Amends Section 1951.312, Occupations Code by adding the word “Exceptions” to the title of the section and by amending Subsections (a) and (b) and adding subsection (e).

Subsection (a) (3) is added which allows businesses to have additional forms of surety other than insurance. Subsection (a) (4) is added which requires wood treaters who treat wood on commercial property owned by the applicant to have general liability insurance and specifies the amount of insurance. Section(b) is amended by including other forms of surety to the requirement of maintaining financial responsibilities. Subsection(e) is added which requires a third party not affiliated with the applicant to handle processing of damage claims.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

Add language to (4) to further define qualifications before the board is authorized to issue or renew a structural pest control license. The language adds monetary figures to the amount of general liability insurance policy. Specifically, the applicant must have a policy not less than \$200,000 for bodily injury and property damage coverage, with a minimum total aggregate of \$300,000 for all occurrences.