

Amend **HB 3540** by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES to the bill accordingly:

ARTICLE ____ . LINCENSURE OF RESIDENTIAL FIRE ALARM TECHNICIANS

SECTION___.01. Section 2, Article 5.43-2, Insurance Code, is amended by amending Subdivision (8) and adding Subdivision (17) to read as follows:

(8) "Monitoring" means the receipt of fire alarm and supervisory signals [~~and retransmission~~] or communication of those signals to a fire service communications center that is located in this state or serves property in this state.

(17) "Residential fire alarm technician" means a licensed individual who is designated by a registered firm to:

(A) plan, install, service, inspect, and certify residential single-family or two-family fire alarm or detection systems;

(B) perform the servicing or maintenance of a previously installed residential single-family or two-family fire alarm or detection system and certify the service or maintenance;
or

(C) provide direct on-site supervision of an unlicensed employee of a registered firm while the employee is installing, servicing, inspecting, or maintaining residential single-family or two-family fire alarm or detection systems.

SECTION___.02. Section 3, Article 5.43-2, Insurance Code, is amended by amending Subsection (b) and adding Subsections (d) and (e) to read as follows:

(b) The licensing provisions of this article shall not apply to:

(1) a person or organization in the business of building construction that installs electrical wiring and devices that may include in part the installation of a fire alarm or detection system if:

(A) the person or organization is a party to a contract that provides that the installation will be performed under the direct supervision of and certified by a licensed employee or agent of a firm registered to install and certify such

an alarm or detection device and that the registered firm assumes full responsibility for the installation of the alarm or detection device; and

(B) the person or organization does not plan, certify, lease, sell, service, or maintain fire alarms or detection devices or systems;

(2) a person or organization that owns and installs fire detection or fire alarm devices on the person's or organization's own property or, if the person or organization does not charge for the device or its installation, installs it for the protection of the person's or organization's personal property located on another's property and does not install the devices as a normal business practice on the property of another;

(3) a person who holds a license or other form of permission issued by an incorporated city or town to practice as an electrician and who installs fire or smoke detection and alarm devices in no building other than a single family or multifamily residence if:

(A) the devices installed are:

(i) single station detectors; or

(ii) multiple station detectors capable of being connected in such a manner that actuation of one detector causes all integral or separate alarms to operate, if the detectors are not connected to a control panel or to an outside alarm, do not transmit a signal off the premises, and do not use more than 120 volts; and

(B) all installations comply with provisions of the adopted edition of [~~Household Fire Warning Equipment,~~] National Fire Protection Association Standard No. 72 [~~74~~];

(4) a person or organization that sells fire detection or fire alarm devices if the sales are exclusively over-the-counter or by mail order and if the person or organization does not plan, certify, install, service, or maintain this equipment;

(5) response to a fire alarm or detection device by a law enforcement agency or fire department or by a law enforcement officer or fireman acting in an official capacity;

(6) a Texas registered professional engineer acting

solely in his professional capacity;

(7) a person or an organization that provides and installs at no charge to the property owners or residents a battery-powered smoke detector in a single-family or two-family residence if:

(A) the smoke detector bears a label of listing or approval by a testing laboratory approved by the State Board of Insurance;

(B) the installation complies with provisions of the adopted edition of National Fire Protection Association Standard No. 72 [~~74~~];

(C) the installers are knowledgeable in fire protection and the proper use of smoke detectors; and

(D) the detector is a single station installation and not a part of or connected to any other detection device or system;

(8) an [~~a regular~~] employee of a registered firm who is under the direct on-site supervision of a licensee;

(9) a building owner, the owner's managing agent, or their employees who install battery-operated single-station smoke detectors or who monitor fire alarm or fire detection devices or systems in the owner's building, and in which the monitoring is performed at the owner's property and monitored at no charge to the occupants of the building, and complies with applicable standards of the National Fire Protection Association as may be adopted by rule promulgated under this Act, and utilizes equipment approved by a testing laboratory approved by the State Board of Insurance for fire alarm monitoring;

(10) a person employed by a registered firm that sells and installs a smoke or heat detector in a single-family or two-family residence if:

(A) the detector bears a label of listing or approval by a testing laboratory approved by the State Board of Insurance;

(B) the installation complies with provisions of the adopted edition of National Fire Protection Association Standard No. 72 [~~74~~];

(C) the installers are knowledgeable in fire protection and the proper use and placement of detectors; and

(D) the detector is a single station installation and not a part of or connected to any other detection device or system; or

(11) a person or organization licensed to install or service burglar alarms under Chapter 1702, Occupations Code, [~~the Private Investigators and Private Security Agencies Act (Article 4413(29bb), Vernon's Texas Civil Statutes)~~] that provides and installs in a single-family or two-family residence a combination keypad that includes a panic button to initiate a fire alarm signal if the fire alarm signal:

(A) is monitored by a fire alarm firm registered under this article; and

(B) is not initiated by any fire or smoke detection device.

(d) A political subdivision may not require a registered firm, a licensee, or an employee of a registered firm to maintain a business location or residency within that political subdivision to engage in a business or perform any activity authorized under this article.

(e) A municipality or county may by ordinance require a registered firm to make a telephone call to a monitored property before the firm notifies the municipality or county of an alarm signal received by the firm from a fire detection device.

SECTION__03. Section 5, Article 5.43-2, Insurance Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) A residential fire alarm technician must obtain a license issued by the board. The amount of the initial fee for the license may not exceed \$50, and the amount of the annual license renewal fee may not exceed \$50.

SECTION__04. Sections 5B(e) and (f), Article 5.43-2, Insurance Code, are amended to read as follows:

(e) For a person who is licensed to install or service burglar alarms under Chapter 1702, Occupations Code [~~the Private Investigators and Private Security Agencies Act (Article 4413(29bb), Vernon's Texas Civil Statutes)~~], compliance with the

insurance requirements of that chapter [~~Act~~] constitutes compliance with the insurance requirements of this section if the insurance held by the person complies with the requirements of this section in amounts and types of coverage.

(f) For a person who is licensed to install or service burglar alarms under Chapter 1702, Occupations Code [~~the Private Investigators and Private Security Agencies Act (Article 4413(29bb), Vernon's Texas Civil Statutes)~~], compliance with the bond and insurance requirements of that chapter [~~Act~~] constitutes compliance with the bond and insurance requirements of this section.

SECTION__ .05. Section 5D, Article 5.43-2, Insurance Code, is amended by amending Subsections (a) and (d) and adding Subsection (a-2) to read as follows:

(a) Each applicant for a fire alarm technician, fire alarm planning superintendent, or residential fire alarm superintendent license must pass a written examination. Examinations shall be conducted by the State Fire Marshal or a testing service selected by the State Fire Marshal. Examinations shall cover this article and board rules and shall include specific testing of all categories of licensure. Not later than the 30th day after the day on which an examination is administered under this article, the State Fire Marshal shall send notice to each examinee of the results of the examination. If an examination is conducted, graded, or reviewed by a testing service, the State Fire Marshal shall send notice to the examinees of the results of the examination within two weeks after the date on which the State Fire Marshal 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 State Fire Marshal shall send notice to the examinee of the reason for the delay before the 90th day. If requested in writing by a person who fails the examination administered under this article, the State Fire Marshal shall send to the person an analysis of the person's performance on the examination.

(a-2) An applicant for a residential fire alarm technician license must provide with the required license application evidence of the applicant's successful completion of the required classroom

instruction from a training school approved by the State Fire Marshal in accordance with this section.

(d) The training curriculum for a fire alarm technician and a residential fire alarm superintendent course shall consist of 16 hours of classroom instruction on all categories of licensure. The training curriculum for a residential fire alarm technician course shall consist of eight hours of classroom instruction on installing, servicing, and maintaining single-family and two-family residential fire alarm systems as defined by National Fire Protection Association Standard No. 72.

SECTION__06. Section 6A, Article 5.43-2, Insurance Code, is amended by adding Subsection (c) to read as follows:

(c) The commissioner may not adopt a rule to administer this article that requires a financial membership, relationship, affiliation, or subscription with a firm, company, or organization that is not required to be registered under this article.

SECTION__07. Section 7, Article 5.43-2, Insurance Code, is amended by amending Subsection (b) and adding Subsection (f) to read as follows:

(b) Except as provided by Subsection (c), a political subdivision may not offer [~~residential~~] alarm system sales, service, installation, or monitoring unless it has been providing monitoring services [~~to residences~~] within the boundaries of the political subdivision as of September 1, 1999. Any fee charged by the political subdivision may not exceed the cost of the monitoring.

(f) A residential fire alarm technician may not provide direct on-site supervision to an employee for purposes of Section 3(b)(8) of this article other than on residential single-family or two-family fire alarm or detection systems.

SECTION__08. Sections 9(d) and (e), Article 5.43-2, Insurance Code, are amended to read as follows:

(d) No fire detection or fire alarm device may be sold or installed in this state unless accompanied by printed information supplied to the owner by the supplier or installing contractor concerning:

(1) instructions describing the installation,

operation, testing, and proper maintenance of the device;

(2) information which will aid in establishing an emergency evacuation plan for the protected premises; ~~and~~

(3) the telephone number and location, including notification procedures, of the nearest fire department; and

(4) information that will aid in reducing the number of false fire alarms.

(e) Each registered firm that employs persons that are exempt from the licensing provisions of this article pursuant to Section 3(b)(10) of this article is required to appropriately train and supervise such exempt persons so as to ensure that each installation complies with the adopted provisions of National Fire Protection Standard No. 72 [~~74~~] or other adopted standards, that each smoke or heat detector installed or sold carries a label or listing of approval by a testing laboratory approved by the State Board of Insurance, and that such exempt persons are knowledgeable in fire protection and the proper use and placement of detectors.

SECTION__09. (a) Not later than March 1, 2006, the Texas Department of Insurance shall adopt the rules and forms necessary to implement the changes in law made by this Act to Article 5.43-2, Insurance Code.

(b) Notwithstanding Article 5.43-2, Insurance Code, a residential fire alarm technician is not required to obtain a license under that article before June 1, 2006.

SECTION__10. This Act takes effect September 1, 2005.