

BILL ANALYSIS

C.S.H.B. 2118

By: Pickett

Insurance

Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, in order to install a fire detection system in a residence, a fire alarm Technician must have a commercial fire detection installation license. This requirement creates a situation where technicians must take a test covering the *commercial* portion of the law relating to fire detection maintenance, regardless of whether the technician is actually employed in the installation of fire detection systems for commercial use. This process is time consuming and expensive to the technician. C.S.H.B. 2118 would distinguish fire alarm technicians from *residential* fire alarm technician, thereby allowing the latter to receive training and to be tested to install residential fire detection systems. This distinction is important because it establishes a different type of license, thereby paving the way for separate licensing requirements and other related issues. This separation will create cost-saving benefits to both the technicians and the companies employing these technicians, which could then be passed along to the consumer.

RULEMAKING AUTHORITY

It is the opinion that rulemaking authority is expressly granted to the Commissioner of Insurance in Section 10 (Article 5.43-2) of the Texas Insurance Code.

ANALYSIS

C.S.H.B. 2118 relates to licensing and regulation of residential fire alarm technicians and regulation of fire detection and alarm devices.

C.S.H.B. 2118 amends the Texas Insurance Code to add the definition of "residential fire alarm technician" to mean a licensed individual who is designated by a registered firm to install, service, inspect, and certify residential single-family or two-family fire alarm or detection systems. Also, C.S.H.B. 2118 deletes "and retransmission" from Section 2, Article 5.43-2 Subdivision (8) of the Texas Insurance Code.

Next, C.S.H.B. 2118 deletes [Household Fire Warning Equipment,] in Section 3, Article 5.43-2 Subsection (b) of the Texas Insurance Code and the substitute also replaces "74" with "72" throughout the bill. C.S.H.B. 2118 removes "a regular" and replaces it with "an" and also adds "on-site" to the Texas Insurance Code.

Next, C.S.H.B. 2118 removes "[the Private Investigators and Private Security Agencies Act (Article 4413 (29bb), Vernon's Texas Civil Statutes)]" as currently found in the Texas Insurance Code and replaces it with "Chapter 1702, Occupations Code". Also, C.S.H.B. 2118 adds two new Subsections to SECTION 2. Section 3, Article 5.43-2. First, Subsection (d) states that 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 and next, Subsection (e) states that 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.

C.S.H.B. 2118 also adds Subsection (c-1) to SECTION 3. Section 5, Article 5.43-2 of the Texas Insurance Code. Subsection (c-1) states that 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.

Also, C.S.H.B. 2118 deletes "[the Private Investigators and Private Security Agencies Act, as amended (Article 4413 (29bb), Vernon's Texas Civil Statutes)]" in several parts of SECTION 4. Article 5.43-2 of the Texas Insurance Code and replaces the citation with "Chapter 1702,

C.S.H.B. 2118 80(R)

Occupations Code". Also, C.S.H.B. 2118 replaces "Act" with "chapter" in SECTION 4. Sections 5B(e) and (f), Article 5.43-2 of the Texas Insurance Code.

Next, C.S.H.B. 2118 amends SECTION 5. Section 5D, Article 5.43-2 of the Texas Insurance Code by adding Subsection (a-2) and amending Subsection (d). Subsection (a-2) states that 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 instruction from a training school approved by the State Fire Marshal in accordance with this section. Subsection (d) says that the training curriculum for a residential fire alarm technician course shall consist of at least eight hours of 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. C.S.H.B. 2118 deletes "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" currently found in the Texas Insurance Code.

C.S.H.B. 2118 amends SECTION 6. Article 5.43-2, Insurance Code, by adding Section 5G which discusses confidentiality of records. It states that records maintained by the department under this article on the home address, home telephone number, driver's license number, or social security number of an applicant or a license or registration holder are confidential and are not subject to mandatory disclosure under Chapter 552, Government Code. Next, this substitute amends SECTION 7. Section 6A, Article 5.43-2 of the Texas Insurance Code by adding Subsection (c) to state that the commissioner may not adopt a rule to administer this article that requires a person who holds a license under this article to obtain additional certification that imposes a financial responsibility on the licensee.

C.S.H.B. 2118 amends SECTION 8. Section 7, Article 5.43-2 of the Texas Insurance Code by amending Subsection (b) and adding Subsection (f). In Subsection (b), the terms "residential" and "to residences" are now deleted and Subsection (f), as added, states that a residential fire alarm technician may only provide direct on-site supervision to an employee of a registered firm for work performed under this article in single-family or two-family dwelling.

Finally, C.S.H.B. 2118 amend SECTION 9. Sections 9 (d) and (e) of the Texas Insurance Code, Article 5.43-2. Section 9(d) now reads that 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 instructions describing the installation, operation, testing and proper maintenance of the device; information which will aid in establishing an emergency evacuation plan for the protected premises; the telephone number and location, including notification procedures, of the nearest fire department; and information that will aid in reducing the number of false fire alarms. Section 9(e) now reads that 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 Association Standard No. 72 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 10 states that not later than March 1, 2008, the Commissioner 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. Also, 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, 2008.

SECTION 11 states that this Act takes effect September 1, 2007.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 2118 makes several changes to the original house bill. First, the definition found in Subdivision (17) in SECTION 1. Section 2, Article 5.43-2 is shorten in the C.S.H.B. 2118. The definition in C.S.H.B. 2118 now defines "Residential fire alarm technician" as a licensed individual who is designated by a registered firm to install, service, inspect, and certify residential single-family or two-family fire alarm or detection systems. The difference is that the original house bill also included "or 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."

Next, C.S.H.B. 2118 amends SECTION 5. Section 5D, Article 5.43-2 of the Texas Insurance Code found in the original house bill. The substitute no longer has Subsection (a) as found in the original house bill. Also, C.S.H.B. 2118 amends Subsection (a-2) of the original house bill by deleting the word "classroom". Whereas the original house bill added the word "residential" to the first sentence of Subsection (d), C.S.H.B. 2118 deletes that entire sentence of Subsection (d) in the original bill which read, "The training curriculum for a fire alarm technician and a residential fire alarm superintendent course shall consist of 16 hours of classroom instructions on all categories of licensure." C.S.H.B. 2118 also adds the phrase "at least" to Subsection (d), Section 5D, Article 5.43-2 of the Texas Insurance Code whereas the original bill did not have this phrase.

Also, C.S.H.B. 2118 changes the language of the original house bill in SECTION 7. Section 6A, Article 5.43-2 of the Texas Insurance Code Subsection (c). Subsection (c) now states that "the commissioner may not adopt a rule to administer this article that requires a person who holds a license under this article to obtain additional certification that imposes a financial responsibility on the licensee" as opposed to the language in the original house bill which stated that " the commissioner may not adopt a rule to administer this article that requires a financial membership, relationship, or affiliation with a firm, company, or organization that is not required to be registered under this article."

Finally, C.S.H.B. 2118 changes the language of the original house bill in Subsection (f) of SECTION 8. Section 7, Article 5.43-2 of the Texas Insurance Code and it now states that "a residential fire alarm technician may only provide direct on-site supervision to an employee of a registered firm for work performed under this article in single-family or two-family dwelling" as opposed to the language in the original house bill which stated that "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".