

SENATE AMENDMENTS

2nd Printing

By: Pickett

H.B. No. 2118

A BILL TO BE ENTITLED

AN ACT

1
2 relating to licensing and regulation of residential fire alarm
3 technicians and regulation and installation of fire detection and
4 alarm devices.

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

6 SECTION 1. Section 2, Article 5.43-2, Insurance Code, is
7 amended by amending Subdivision (8) and adding Subdivision (17) to
8 read as follows:

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

13 (17) "Residential fire alarm technician" means a
14 licensed individual who is designated by a registered firm to
15 install, service, inspect, and certify residential single-family
16 or two-family fire alarm or detection systems.

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

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

22 (1) a person or organization in the business of
23 building construction that installs electrical wiring and devices
24 that may include in part the installation of a fire alarm or

1 detection system if:

2 (A) the person or organization is a party to a
3 contract that provides that the installation will be performed
4 under the direct supervision of and certified by a licensed
5 employee or agent of a firm registered to install and certify such
6 an alarm or detection device and that the registered firm assumes
7 full responsibility for the installation of the alarm or detection
8 device; and

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

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

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

24 (A) the devices installed are:

25 (i) single station detectors; or

26 (ii) multiple station detectors capable of
27 being connected in such a manner that actuation of one detector

1 causes all integral or separate alarms to operate, if the detectors
2 are not connected to a control panel or to an outside alarm, do not
3 transmit a signal off the premises, and do not use more than 120
4 volts; and

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

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

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

15 (6) a Texas registered professional engineer acting
16 solely in his professional capacity;

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

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

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

27 (C) the installers are knowledgeable in fire

1 protection and the proper use of smoke detectors; and

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

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

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

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

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

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

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

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

4 (11) a person or organization licensed to install or
5 service burglar alarms under Chapter 1702, Occupations Code, [the
6 ~~Private Investigators and Private Security Agencies Act (Article~~
7 ~~4413(29bb), Vernon's Texas Civil Statutes]~~ that provides and
8 installs in a single-family or two-family residence a combination
9 keypad that includes a panic button to initiate a fire alarm signal
10 if the fire alarm signal:

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

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

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

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

24 SECTION 3. Section 5, Article 5.43-2, Insurance Code, is
25 amended by adding Subsection (c-1) to read as follows:

26 (c-1) A residential fire alarm technician must obtain a
27 license issued by the board. The amount of the initial fee for the

1 license may not exceed \$50, and the amount of the annual license
2 renewal fee may not exceed \$50.

3 SECTION 4. Sections 5B(e) and (f), Article 5.43-2,
4 Insurance Code, are amended to read as follows:

5 (e) For a person who is licensed to install or service
6 burglar alarms under Chapter 1702, Occupations Code [~~the Private~~
7 ~~Investigators and Private Security Agencies Act, as amended~~
8 ~~(Article 4413(29bb), Vernon's Texas Civil Statutes)~~], compliance
9 with the insurance requirements of that chapter [~~Act~~] constitutes
10 compliance with the insurance requirements of this section if the
11 insurance held by the person complies with the requirements of this
12 section in amounts and types of coverage.

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

20 SECTION 5. Section 5D, Article 5.43-2, Insurance Code, is
21 amended by adding Subsection (a-2) and amending Subsection (d) to
22 read as follows:

23 (a-2) An applicant for a residential fire alarm technician
24 license must provide with the required license application evidence
25 of the applicant's successful completion of the required
26 instruction from a training school approved by the State Fire
27 Marshal in accordance with this section.

1 (d) The training curriculum for a residential fire alarm
2 technician course shall consist of at least eight hours of
3 instruction on installing, servicing, and maintaining
4 single-family and two-family residential fire alarm systems as
5 defined by National Fire Protection Association Standard No. 72
6 ~~[The training curriculum for a fire alarm technician and a~~
7 ~~residential fire alarm superintendent course shall consist of 16~~
8 ~~hours of classroom instruction on all categories of licensure].~~

9 SECTION 6. Article 5.43-2, Insurance Code, is amended by
10 adding Section 5G to read as follows:

11 Sec. 5G. CONFIDENTIALITY OF RECORDS. Records maintained by
12 the department under this article on the home address, home
13 telephone number, driver's license number, or social security
14 number of an applicant or a license or registration holder are
15 confidential and are not subject to mandatory disclosure under
16 Chapter 552, Government Code.

17 SECTION 7. Section 6A, Article 5.43-2, Insurance Code, is
18 amended by adding Subsection (c) to read as follows:

19 (c) The commissioner may not adopt a rule to administer this
20 article that requires a person who holds a license under this
21 article to obtain additional certification that imposes a financial
22 responsibility on the licensee.

23 SECTION 8. Section 7, Article 5.43-2, Insurance Code, is
24 amended by amending Subsection (b) and adding Subsection (f) to
25 read as follows:

26 (b) Except as provided by Subsection (c), a political
27 subdivision may not offer [~~residential~~] alarm system sales,

1 service, installation, or monitoring unless it has been providing
2 monitoring services [~~to residences~~] within the boundaries of the
3 political subdivision as of September 1, 1999. Any fee charged by
4 the political subdivision may not exceed the cost of the
5 monitoring.

6 (f) A residential fire alarm technician may only provide
7 direct on-site supervision to an employee of a registered firm for
8 work performed under this article in a single-family or two-family
9 dwelling.

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

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

16 (1) instructions describing the installation,
17 operation, testing, and proper maintenance of the device;

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

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

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

24 (e) Each registered firm that employs persons that are
25 exempt from the licensing provisions of this article pursuant to
26 Section 3(b)(10) of this article is required to appropriately train
27 and supervise such exempt persons so as to ensure that each

1 installation complies with the adopted provisions of National Fire
2 Protection Association Standard No. 72 [~~74~~] or other adopted
3 standards, that each smoke or heat detector installed or sold
4 carries a label or listing of approval by a testing laboratory
5 approved by the State Board of Insurance, and that such exempt
6 persons are knowledgeable in fire protection and the proper use and
7 placement of detectors.

8 SECTION 10. Subtitle A, Title 9, Health and Safety Code, is
9 amended by adding Chapter 766 to read as follows:

10 CHAPTER 766. SMOKE DETECTORS IN CERTAIN
11 RESIDENTIAL DWELLINGS

12 Sec. 766.001. DEFINITIONS. In this chapter:

13 (1) "One-family or two-family dwelling" means a
14 structure that has one or two residential units that are occupied
15 as, or designed or intended for occupancy as, a residence by
16 individuals.

17 (2) "Smoke detector" has the meaning assigned by
18 Section 792.001.

19 Sec. 766.002. RESPONSIBILITY OF TITLE INSURANCE OR CLOSING
20 AGENT. A title insurance agent or other closing agent involved in
21 the transfer of title to a one-family or two-family dwelling is not,
22 on sale or transfer of the dwelling, responsible for:

23 (1) verifying that the seller has complied with the
24 requirements of this chapter; or

25 (2) ensuring that the dwelling complies with the
26 requirements of this chapter.

27 Sec. 766.003. SMOKE DETECTOR REQUIRED. (a) Each

1 one-family or two-family dwelling must have a working smoke
2 detector installed in the dwelling in accordance with Subsection
3 (b) if construction on the dwelling commences on or after January 1,
4 2008. If the dwelling is constructed before January 1, 2008, there
5 must be a working smoke detector installed in the dwelling in
6 accordance with Subsection (b) before the owner of the dwelling may
7 sell or otherwise transfer ownership of the dwelling to another
8 person.

9 (b) A smoke detector must be installed in accordance with
10 the requirements of Sections 92.254, 92.255, and 92.257, Property
11 Code.

12 (c) A residential fire alarm technician as defined by
13 Section 2, Article 5.43-2, Insurance Code, may install, service,
14 inspect, or certify a smoke detector required under this section.

15 Sec. 766.004. RULES. (a) The commissioner of insurance
16 shall adopt rules requiring:

17 (1) each one-family or two-family dwelling the
18 construction of which commences on or after January 1, 2008, to be
19 equipped with a smoke detector; and

20 (2) each one-family or two-family dwelling the
21 ownership of which is sold or transferred on or after January 1,
22 2008, to be equipped with a smoke detector.

23 (b) The rules adopted under Subsection (a) must prescribe
24 requirements relating to the placement, installation, maintenance,
25 and number of smoke detectors required in a one-family or
26 two-family dwelling.

27 SECTION 11. (a) Not later than March 1, 2008, the

1 commissioner of insurance shall adopt the rules and forms necessary
2 to implement the changes in law made by this Act to Article 5.43-2,
3 Insurance Code.

4 (b) Notwithstanding Article 5.43-2, Insurance Code, a
5 residential fire alarm technician is not required to obtain a
6 license under that article before June 1, 2008.

7 SECTION 12. The commissioner of insurance shall adopt rules
8 under Section 766.004, Health and Safety Code, as added by this Act,
9 not later than December 1, 2007.

10 SECTION 13. This Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

Pickett *Wanda Konde Pickett*
By: _____

Atty. Gen. David Dewhurst
Secretary of the Senate .B. No. 2119

Substitute the following for _____ .B. No. _____ :

By: *Wanda Pickett* C.S. H .B. No. 2119

A BILL TO BE ENTITLED

1 AN ACT <EOH>

2 relating to licensing and regulation of residential fire alarm
3 technicians and regulation and installation of fire detection
4 and alarm devices.

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

6 SECTION 1. Section 2, Article 5.43-2, Insurance Code, is
7 amended by amending Subdivision (8) and adding Subdivision (17)
8 to read as follows:

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

13 (17) "Residential fire alarm technician" means a
14 licensed individual who is designated by a registered firm to
15 install, service, inspect, and certify residential single-family
16 or two-family fire alarm or detection systems.

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

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

22 (1) a person or organization in the business of
23 building construction that installs electrical wiring and

12

1 devices that may include in part the installation of a fire
2 alarm or detection system if:

3 (A) the person or organization is a party to a
4 contract that provides that the installation will be performed
5 under the direct supervision of and certified by a licensed
6 employee or agent of a firm registered to install and certify
7 such an alarm or detection device and that the registered firm
8 assumes full responsibility for the installation of the alarm or
9 detection device; and

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

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

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

26 (A) the devices installed are:

2 | 3

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

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

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

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

19 (6) a Texas registered professional engineer acting
20 solely in his professional capacity;

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

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

1 of Insurance;

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

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

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

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

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

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

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

1 Insurance;

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

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

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

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

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

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

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

26 (e) A municipality or county may by ordinance require a

1 registered firm to make a telephone call to a monitored property
2 before the firm notifies the municipality or county of an alarm
3 signal received by the firm from a fire detection device.

4 SECTION 3. Section 5, Article 5.43-2, Insurance Code, is
5 amended by adding Subsection (c-1) to read as follows:

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

10 SECTION 4. Sections 5B(e) and (f), Article 5.43-2,
11 Insurance Code, are amended to read as follows:

12 (e) For a person who is licensed to install or service
13 burglar alarms under Chapter 1702, Occupations Code [~~the Private~~
14 ~~Investigators and Private Security Agencies Act, as amended~~
15 ~~(Article 4413(29bb), Vernon's Texas Civil Statutes)~~], compliance
16 with the insurance requirements of that chapter [~~Act~~]
17 constitutes compliance with the insurance requirements of this
18 section if the insurance held by the person complies with the
19 requirements of this section in amounts and types of coverage.

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

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

4 (a-2) An applicant for a residential fire alarm technician
5 license must provide with the required license application
6 evidence of the applicant's successful completion of the
7 required instruction from a training school approved by the
8 State Fire Marshal in accordance with this section.

9 (d) The training curriculum for a residential fire alarm
10 technician course shall consist of at least eight hours of
11 instruction on installing, servicing, and maintaining single-
12 family and two-family residential fire alarm systems as defined
13 by National Fire Protection Association Standard No. 72 [The
14 ~~training curriculum for a fire alarm technician and a~~
15 ~~residential fire alarm superintendent course shall consist of 16~~
16 ~~hours of classroom instruction on all categories of licensure].~~

17 SECTION 6. Article 5.43-2, Insurance Code, is amended by
18 adding Section 5G to read as follows:

19 Sec. 5G. CONFIDENTIALITY OF RECORDS. Records maintained
20 by the department under this article on the home address, home
21 telephone number, driver's license number, or social security
22 number of an applicant or a license or registration holder are
23 confidential and are not subject to mandatory disclosure under
24 Chapter 552, Government Code.

25 SECTION 7. Section 6A, Article 5.43-2, Insurance Code, is
26 amended by adding Subsection (c) to read as follows:

7 18

1 (c) The commissioner may not adopt a rule to administer
2 this article that requires a person who holds a license under
3 this article to obtain additional certification that imposes a
4 financial responsibility on the licensee.

5 SECTION 8. Section 7, Article 5.43-2, Insurance Code, is
6 amended by amending Subsection (b) and adding Subsection (f) to
7 read as follows:

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

15 (f) A residential fire alarm technician may only provide
16 direct on-site supervision to an employee of a registered firm
17 for work performed under this article in a single-family or two-
18 family dwelling.

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

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

25 (1) instructions describing the installation,
26 operation, testing, and proper maintenance of the device;

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

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

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

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

18 SECTION 10. Subtitle A, Title 9, Health and Safety Code,
19 is amended by adding Chapter 766 to read as follows:

20 CHAPTER 766. FIRE SAFETY IN RESIDENTIAL DWELLINGS

21 Sec. 766.001. DEFINITIONS. In this chapter:

22 (1) "Carbon monoxide alarm" means a device that
23 detects and sounds an alarm to indicate the presence of a
24 harmful level of carbon monoxide gas.

25 (2) "Department" means the Texas Department of
26 Insurance.

1 (3) "Fossil fuel" includes coal, kerosene, oil, wood,
2 fuel gases, and other petroleum or hydrocarbon products.

3 (4) "One-family or two-family dwelling" means a
4 structure that has one or two residential units that are
5 occupied as, or designed or intended for occupancy as, a
6 residence by individuals.

7 (5) "Smoke detector" means a device or a listed
8 component of a system that detects and sounds an alarm to
9 indicate the presence of visible or invisible products of
10 combustion in the air.

11 (6) "Smoke detector for hearing-impaired persons" has
12 the meaning assigned by Section 792.001.

13 Sec. 766.002. SMOKE DETECTOR REQUIREMENT. (a) Each one-
14 family or two-family dwelling constructed in this state must
15 have working smoke detectors installed in the dwelling in
16 accordance with the smoke detector requirements of the building
17 code in effect in the political subdivision in which the
18 dwelling is located, including performance, location, and power
19 source requirements.

20 (b) If a one-family or two-family dwelling does not comply
21 with the smoke detector requirements of the building code in
22 effect in the political subdivision in which the dwelling is
23 located, any home improvement to the dwelling that requires the
24 issuance of a building permit must include the installation of
25 smoke detectors in accordance with the building code in effect
26 in the political subdivision in which the dwelling is located,

1 including performance, location, and power source requirements.

2 (c) Any smoke detector required under the building code in
3 effect in the political subdivision must be a smoke detector for
4 a hearing-impaired person if a one-family or two-family dwelling
5 is sold to a buyer who is a hearing-impaired person or to a
6 buyer who has a family member who will reside in the dwelling
7 who is a hearing-impaired person.

8 Sec. 766.0025. FRATERNITY AND SORORITY HOUSES. (a) In
9 this section, "fraternity or sorority house" means a dwelling
10 that:

11 (1) is a separate structure and that is not a
12 multiunit residential property composed of multiple independent
13 residential units; and

14 (2) serves as living quarters for members of a
15 fraternity or sorority.

16 (b) The owner of a fraternity or sorority house must have
17 working smoke detectors installed in the fraternity house or
18 sorority house in accordance with the smoke detector
19 requirements of the building code in effect in the political
20 subdivision in which the fraternity or sorority house is
21 located, including performance, location, and power source
22 requirements.

23 Sec. 766.003. INFORMATION RELATING TO FIRE SAFETY AND
24 CARBON MONOXIDE DANGERS. (a) The department shall prepare
25 information of public interest relating to:

26 (1) fire safety in the home; and

1 (2) the dangers of carbon monoxide.

2 (b) The information must inform the public about:

3 (1) ways to prevent fires in the home, and actions to
4 take if a fire occurs in the home;

5 (2) the need to test smoke detectors every month to
6 ensure the smoke detector is working;

7 (3) replacing the battery in a battery-operated smoke
8 detector every six months;

9 (4) the need to have fire safety equipment in the
10 home, including fire extinguishers and emergency escape ladders;

11 (5) the need to develop and practice a fire escape
12 plan;

13 (6) the availability of carbon monoxide detectors;

14 (7) using carbon monoxide alarms as a backup to
15 prevent carbon monoxide poisoning; and

16 (8) the need to properly use and maintain fossil
17 fuel-burning appliances.

18 (c) The department shall distribute the information
19 described by this section to the public in any manner the
20 department determines is cost-effective, including providing the
21 information on the department's Internet website and publishing
22 informational pamphlets.

23 SECTION 11. Subsection (b), Section 5.008, Property Code,
24 is amended to read as follows:

25 (b) The notice must be executed and must, at a minimum,
26 read substantially similar to the following:

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SELLER'S DISCLOSURE NOTICE

CONCERNING THE PROPERTY AT _____

(Street Address and City)

THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

Seller ___ is ___ is not occupying the Property.

If unoccupied, how long since Seller has occupied the Property?

1. The Property has the items checked below:

Write Yes (Y), No (N), or Unknown (U).

- | | | |
|--|---|--|
| <input type="checkbox"/> Range | <input type="checkbox"/> Oven | <input type="checkbox"/> Microwave |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Trash Compactor | <input type="checkbox"/> Disposal |
| <input type="checkbox"/> Washer/Dryer | <input type="checkbox"/> Window | <input type="checkbox"/> Rain Gutters |
| <input type="checkbox"/> Hookups | <input type="checkbox"/> Screens | |
| <input type="checkbox"/> Security System | <input type="checkbox"/> Fire Detection Equipment | <input type="checkbox"/> Intercom System |
| | <u>Smoke Detector</u> | |
| | <u>Smoke Detector -</u> | |
| | <u>Hearing Impaired</u> | |
| | <u>Carbon Monoxide</u> | |

Alarm

Emergency Escape

Ladder(s)

<input type="checkbox"/> TV Antenna	<input type="checkbox"/> Cable TV	<input type="checkbox"/> Satellite
	Wiring	Dish
<input type="checkbox"/> Ceiling Fan(s)	<input type="checkbox"/> Attic Fan(s)	<input type="checkbox"/> Exhaust Fan(s)
<input type="checkbox"/> Central A/C	<input type="checkbox"/> Central Heating	<input type="checkbox"/> Wall/Window Air Conditioning
<input type="checkbox"/> Plumbing System	<input type="checkbox"/> Septic System	<input type="checkbox"/> Public Sewer System
<input type="checkbox"/> Patio/Decking	<input type="checkbox"/> Outdoor Grill	<input type="checkbox"/> Fences
<input type="checkbox"/> Pool	<input type="checkbox"/> Sauna	<input type="checkbox"/> Spa
		<input type="checkbox"/> Hot Tub
<input type="checkbox"/> Pool Equipment	<input type="checkbox"/> Pool Heater	<input type="checkbox"/> Automatic Lawn Sprinkler System
<input type="checkbox"/> Fireplace(s) & Chimney (Woodburning)		<input type="checkbox"/> Fireplace(s) & Chimney (Mock)
<input type="checkbox"/> Gas Lines (Nat./LP)		<input type="checkbox"/> Gas Fixtures
Garage: <input type="checkbox"/> Attached	<input type="checkbox"/> Not Attached	<input type="checkbox"/> Carport
Garage Door Opener(s):	<input type="checkbox"/> Electronic	<input type="checkbox"/> Control(s)
Water Heater:	<input type="checkbox"/> Gas	<input type="checkbox"/> Electric

Water Supply: City Well MUD Co-op

1 Roof Type: _____ Age: _____ (approx)

2 Are you (Seller) aware of any of the above items that are not in
3 working condition, that have known defects, or that are in need
4 of repair? Yes No Unknown.

5 If yes, then describe. (Attach additional sheets if necessary):

6 _____
7 _____

8 2. Does the property have working smoke detectors installed in
9 accordance with the smoke detector requirements of Chapter 766,
10 Health and Safety Code? Yes No Unknown.

11 If the answer to the question above is no or unknown, explain.

12 (Attach additional sheets if necessary):
13 _____
14 _____

15 3. Are you (Seller) aware of any known defects/malfunctions in
16 any of the following?

17 Write Yes (Y) if you are aware, write No (N) if you are not
18 aware.

- Interior Walls Ceilings Floors
- Exterior Walls Doors Windows
- Roof Foundation/ Basement
- Slab(s)
- Walls/Fences Driveways Sidewalks
- Plumbing/Sewers/ Electrical Lighting

Septics Systems Fixtures

1 ___ Other Structural Components (Describe): _____

2 _____

3 _____

4 If the answer to any of the above is yes, explain. (Attach
5 additional sheets if necessary): _____

6 _____

7 _____

8 4[3]. Are you (Seller) aware of any of the following
9 conditions?

10 Write Yes (Y) if you are aware, write No (N) if you are not
11 aware.

___ Active Termites ___ Previous Structural
 (includes or Roof Repair
 wood-destroying insects)

___ Termite or Wood Rot Damage ___ Hazardous or Toxic Waste
 Needing Repair

___ Previous Termite Damage ___ Asbestos Components

___ Previous Termite ___ Urea formaldehyde
 Treatment Insulation

___ Previous Flooding ___ Radon Gas

___ Improper Drainage ___ Lead Based Paint

___ Water Penetration ___ Aluminum Wiring

___ Located in 100-Year ___ Previous Fires
 Floodplain

Present Flood Insurance Unplatted Easements
Coverage

Landfill, Settling, Soil Subsurface
Movement, Fault Lines Structure or Pits

1 If the answer to any of the above is yes, explain. (Attach
2 additional sheets if necessary): _____

3 _____
4 _____

5 5[4]. Are you (Seller) aware of any item, equipment, or system
6 in or on the property that is in need of repair? Yes (if you
7 are aware) No (if you are not aware). If yes, explain
8 (attach additional sheets as necessary).

9 _____

10 6[5]. Are you (Seller) aware of any of the following?

11 Write Yes (Y) if you are aware, write No (N) if you are not
12 aware.

Room additions, structural modifications, or other
alterations or repairs made without necessary permits or not
in compliance with building codes in effect at that time.

Homeowners' Association or maintenance fees or assessments.

Any "common area" (facilities such as pools, tennis courts,
walkways, or other areas) co-owned in undivided interest with
others.

Any notices of violations of deed restrictions or
governmental ordinances affecting the condition or use of the

Property.

___ Any lawsuits directly or indirectly affecting the Property.

___ Any condition on the Property which materially affects the physical health or safety of an individual.

1 If the answer to any of the above is yes, explain. (Attach
2 additional sheets if necessary): _____

3 _____

4 _____

5 _____

6 Date Signature of Seller

7 The undersigned purchaser hereby acknowledges receipt of the
8 foregoing notice and acknowledges the property complies with the
9 smoke detector requirements of Chapter 766, Health and Safety
10 Code or if the property does not comply with the smoke detector
11 requirements of Chapter 766, the buyer waives the buyer's rights
12 to have smoke detectors installed in compliance with Chapter
13 766.

14 _____

15 Date Signature of Purchaser

16 SECTION 12. Subchapter F, Chapter 92, Property Code, is
17 amended by adding Section 92.2571 to read as follows:

18 Sec. 92.2571. ALTERNATIVE COMPLIANCE. A landlord complies
19 with the requirements of this subchapter relating to the
20 provision of smoke detectors in the dwelling unit if the
21 landlord:

1 (1) has a fire detection device, as defined by
2 Article 5.43-2, Insurance Code, that includes a smoke detection
3 device installed in a dwelling unit; or

4 (2) for a dwelling unit that is a one-family or two-
5 family dwelling unit, installs smoke detectors in compliance
6 with Chapter 766, Health and Safety Code.

7 SECTION 13. The change in law made by this Act to Section
8 5.008, Property Code, applies only to a notice executed on or
9 after the effective date of this Act. A notice executed before
10 the effective date of this Act is governed by the law in effect
11 immediately before that date, and that law is continued in
12 effect for that purpose.

13 SECTION 14. (a) Not later than March 1, 2008, the
14 commissioner of insurance shall adopt the rules and forms
15 necessary to implement the changes in law made by this Act to
16 Article 5.43-2, Insurance Code.

17 (b) Notwithstanding Article 5.43-2, Insurance Code, a
18 residential fire alarm technician is not required to obtain a
19 license under that article before June 1, 2008.

20 SECTION 15. This Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

Leta Spaw
Secretary of the Senate

Richard L. ...

FLOOR AMENDMENT NO. 1

BY: _____

1 Amend C.S.H.B. No. 2118 (senate committee printing) as
2 follows:

3 (1) In SECTION 10 of the bill, strike added Subsection (c),
4 Section 766.002, Health and Safety Code (page 4, lines 64 through
5 69), and substitute the following:

6 Sec. 766.0021. SMOKE DETECTOR FOR HEARING-IMPAIRED
7 PERSONS. (a) A purchaser under a written contract for the resale
8 of an existing one-family or two-family dwelling may require the
9 seller to install smoke detectors for hearing-impaired persons if:

10 (1) the purchaser or a member of the purchaser's family
11 who will reside in the dwelling is a hearing-impaired person;

12 (2) the purchaser provides written evidence of the
13 hearing impairment signed by a licensed physician; and

14 (3) not later than the 10th day after the effective
15 date of the contract, the purchaser requests in writing that the
16 seller install smoke detectors for hearing-impaired persons and
17 specifies the locations in the dwelling where the smoke detectors
18 are to be installed.

19 (b) If the seller is required to install smoke detectors for
20 hearing-impaired persons under Subsection (a), the seller and
21 purchaser may agree:

22 (1) which party will bear the cost of installing the
23 smoke detectors; and

24 (2) which brand of smoke detectors to install.

25 (c) The seller must install the smoke detectors not later
26 than the closing date of the sale of the dwelling.

27 (d) A purchaser may terminate the contract to purchase the
28 dwelling if the seller fails to install smoke detectors for
29 hearing-impaired persons as required by this section.

1 (2) Strike SECTION 11 of the bill (page 5, line 40, through
2 page 7, line 43) and substitute the following:

3 SECTION 11. Subsection (b), Section 5.008, Property Code,
4 is amended to read as follows:

5 (b) The notice must be executed and must, at a minimum, read
6 substantially similar to the following:

7 SELLER'S DISCLOSURE NOTICE
8 CONCERNING THE PROPERTY AT _____
9 (Street Address and City)

10 THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF
11 THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY
12 SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR
13 WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT
14 A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

15 Seller ___ is ___ is not occupying the Property.

16 If unoccupied, how long since Seller has occupied the Property?

17 _____

18 1. The Property has the items checked below:

19 Write Yes (Y), No (N), or Unknown (U).

20 ___ Range	___ Oven	___ Microwave
21 ___ Dishwasher	___ Trash Compactor	___ Disposal
22 ___ Washer/Dryer	___ Window	___ Rain Gutters
23 ___ Hookups	___ Screens	
24 ___ Security	___ Fire Detection	___ Intercom
25 ___ System	___ Equipment	___ System
26	___ <u>Smoke Detector</u>	
27	___ <u>Smoke Detector -</u>	
28	___ <u>Hearing Impaired</u>	
29	___ <u>Carbon Monoxide</u>	
30	___ <u>Alarm</u>	
31	___ <u>Emergency Escape</u>	
32	___ <u>Ladder(s)</u>	
33 ___ TV Antenna	___ Cable TV	___ Satellite
34	___ Wiring	___ Dish
35 ___ Ceiling Fan(s)	___ Attic Fan(s)	___ Exhaust
36		___ Fan(s)
37 ___ Central A/C	___ Central Heating	___ Wall/Window Air
38		___ Conditioning
39 ___ Plumbing System	___ Septic System	___ Public Sewer
40		___ System
41 ___ Patio/Decking	___ Outdoor Grill	___ Fences
42 ___ Pool	___ Sauna	___ Spa
43		___ Hot Tub
44 ___ Pool Equipment	___ Pool Heater	___ Automatic Lawn
45		___ Sprinkler
46		___ System
47 ___ Fireplace(s) &		___ Fireplace(s) &
48 ___ Chimney		___ Chimney

1 (Woodburning) (Mock)
 2 ___ Gas Lines ___ Gas Fixtures
 3 (Nat./LP)
 4 Garage: ___ Attached ___ Not Attached ___ Carport
 5 Garage Door Opener(s): ___ Electronic ___ Control(s)
 6 Water Heater: ___ Gas ___ Electric
 7 Water Supply: ___ City ___ Well ___ MUD ___ Co-op
 8 Roof Type: _____ Age: _____ (approx)

9 Are you (Seller) aware of any of the above items that are not in
 10 working condition, that have known defects, or that are in need of
 11 repair? ___ Yes ___ No ___ Unknown.

12 If yes, then describe. (Attach additional sheets if necessary):

13 _____
 14 _____

15 2. Does the property have working smoke detectors installed in
 16 accordance with the smoke detector requirements of Chapter 766,
 17 Health and Safety Code? ___ Yes ___ No ___ Unknown.

18 If the answer to the question above is no or unknown, explain.
 19 (Attach additional sheets if necessary):

20 _____
 21 _____

22 3. Are you (Seller) aware of any known defects/malfunctions in any
 23 of the following?

24 Write Yes (Y) if you are aware, write No (N) if you are not aware.

25 ___ Interior Walls	___ Ceilings	___ Floors
26 ___ Exterior Walls	___ Doors	___ Windows
27 ___ Roof	___ Foundation/ Slab(s)	___ Basement
28 ___ Walls/Fences	___ Driveways	___ Sidewalks
30 ___ Plumbing/Sewers/ Septics	___ Electrical Systems	___ Lighting Fixtures

32 ___ Other Structural Components (Describe): _____

33 _____
 34 _____

35 If the answer to any of the above is yes, explain. (Attach
 36 additional sheets if necessary): _____

37 _____
 38 _____

- 1 4 [3]. Are you (Seller) aware of any of the following conditions?
 2 Write Yes (Y) if you are aware, write No (N) if you are not aware.
 3 Active Termites Previous Structural
 4 (includes or Roof Repair
 5 wood-destroying insects)
 6 Termite or Wood Rot Damage Hazardous or Toxic Waste
 7 Needing Repair
 8 Previous Termite Damage Asbestos Components
 9 Previous Termite Urea formaldehyde
 10 Treatment Insulation
 11 Previous Flooding Radon Gas
 12 Improper Drainage Lead Based Paint
 13 Water Penetration Aluminum Wiring
 14 Located in 100-Year Previous Fires
 15 Floodplain
 16 Present Flood Insurance Unplatted Easements
 17 Coverage
 18 Landfill, Settling, Soil Subsurface
 19 Movement, Fault Lines Structure or Pits

20 If the answer to any of the above is yes, explain. (Attach
 21 additional sheets if necessary): _____
 22 _____
 23 _____

24 5 [4]. Are you (Seller) aware of any item, equipment, or system in
 25 or on the property that is in need of repair? Yes (if you are
 26 aware) No (if you are not aware). If yes, explain (attach
 27 additional sheets as necessary). _____

- 28 6 [5]. Are you (Seller) aware of any of the following?
 29 Write Yes (Y) if you are aware, write No (N) if you are not aware.
 30 Room additions, structural modifications, or other
 31 alterations or repairs made without necessary permits or not
 32 in compliance with building codes in effect at that time.
 33 Homeowners' Association or maintenance fees or assessments.
 34 Any "common area" (facilities such as pools, tennis courts,
 35 walkways, or other areas) co-owned in undivided interest with
 36 others.
 37 Any notices of violations of deed restrictions or
 38 governmental ordinances affecting the condition or use of the
 39 Property.
 40 Any lawsuits directly or indirectly affecting the Property.
 41 Any condition on the Property which materially affects the
 42 physical health or safety of an individual.

43 If the answer to any of the above is yes, explain. (Attach
 44 additional sheets if necessary): _____
 45 _____
 46 _____

34

1 _____
2 Date Signature of Seller

3 The undersigned purchaser hereby acknowledges receipt of the
4 foregoing notice and acknowledges the property complies with the
5 smoke detector requirements of Chapter 766, Health and Safety Code,
6 or, if the property does not comply with the smoke detector
7 requirements of Chapter 766, the buyer waives the buyer's rights to
8 have smoke detectors installed in compliance with Chapter 766.

9 _____
10 Date Signature of Purchaser

35

ADOPTED

MAY 22 2007

Antony Spaw
Secretary of the Senate

FLOOR AM. #2

BY: *Lucio*

1 Amend Floor Amendment No. 1 to CSHB 2118 Section 10 (page
2 1, line 7) by striking proposed "resale of an existing" and
3 substitute the following: "sale of a".

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2118 by Pickett (Relating to licensing and regulation of residential fire alarm technicians and regulation and installation of fire detection and alarm devices.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to require licensed technicians on-site during the installation of fire alarms.

Based on the analysis of the State Fire Marshal's Office at the Texas Department of Insurance (TDI), the bill would result in an increase in the number of new and renewing licensees. It is assumed that there would be a revenue gain in the General Revenue - Dedicated Account Fund 36 of \$23,000 in fiscal year 2008, \$55,750 in fiscal year 2009, \$30,650 in fiscal year 2010, \$54,950 in fiscal year 2011, and \$30,950 in fiscal year 2012. Since General Revenue - Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all revenue generated would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year.

Based on the analysis of TDI, duties and responsibilities associated with any necessary rule-making and any other duties required to implement the provisions of the bill could be accomplished within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 329 Real Estate Commission

LBB Staff: JOB, JRO, MW, SK, KJG

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 10, 2007

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2118 by Pickett (Relating to licensing and regulation of residential fire alarm technicians and regulation and installation of fire detection and alarm devices.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to require licensed technicians on-site during the installation of fire alarms.

Based on the analysis of the State Fire Marshal's Office at the Texas Department of Insurance (TDI), the bill would result in an increase in the number of new and renewing licensees. It is assumed that there would be a revenue gain in the General Revenue - Dedicated Account Fund 36 of \$23,000 in fiscal year 2008, \$55,750 in fiscal year 2009, \$30,650 in fiscal year 2010, \$54,950 in fiscal year 2011, and \$30,950 in fiscal year 2012. Since General Revenue - Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all revenue generated would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year.

Based on the analysis of TDI, duties and responsibilities associated with any necessary rule-making and any other duties required to implement the provisions of the bill could be accomplished within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 329 Real Estate Commission, 454 Department of Insurance

LBB Staff: JOB, JRO, MW, SK, KJG

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2118 by Pickett (Relating to licensing and regulation of residential fire alarm technicians and regulation of fire detection and alarm devices.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to require licensed technicians on-site during the installation of fire alarms.

Based on the analysis of the State Fire Marshal's Office at the Texas Department of Insurance (TDI), the bill would result in an increase in the number of new and renewing licensees. It is assumed that there would be a revenue gain in the General Revenue - Dedicated Account Fund 36 of \$23,000 in fiscal year 2008, \$53,750 in fiscal year 2009, \$30,650 in fiscal year 2010, \$54,950 in fiscal year 2011, and \$30,950 in fiscal year 2012. Since General Revenue - Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all revenue generated would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year.

Based on the analysis of TDI, duties and responsibilities associated with any necessary rule-making and any other duties required to implement the provisions of the bill could be accomplished within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, JRO, MW, SK, KJG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 30, 2007

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB2118** by Pickett (Relating to licensing and regulation of residential fire alarm technicians and regulation of fire detection and alarm devices.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to require licensed technicians on-site during the installation of fire alarms.

Based on the analysis of the State Fire Marshal's Office at the Texas Department of Insurance (TDI), the bill would result in an increase in the number of new and renewing licensees. It is assumed that there would be a revenue gain in the General Revenue - Dedicated Account Fund 36 of \$22,000 in fiscal year 2008, \$53,500 in fiscal year 2009, \$30,000 in fiscal year 2010, \$52,500 in fiscal year 2011, and \$30,000 in fiscal year 2012. Since General Revenue - Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all revenue generated would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year.

Based on the analysis of TDI, duties and responsibilities associated with any necessary rule-making and any other duties required to implement the provisions of the bill could be accomplished within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, JRO, MW, SK, KJG

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