

## **BILL ANALYSIS**

C.S.H.B. 2643  
By: Hamilton  
Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Observers note that the installation, maintenance, service, and repair of elevators, escalators, moving sidewalks, chair lifts, and residential home lifts are complex and technical procedures requiring proficiency in both electrical and mechanical skills. The observers note that while professionals in other trades, such as electrical contractors, have to meet certain experience or liability insurance requirements to obtain registration or certification, a person is not currently required to meet minimum experience or education requirements or minimum insurance standards to qualify to obtain registration or certification as an elevator contractor.

C.S.H.B. 2643 seeks to ensure quality installation, repair, and maintenance of elevators, escalators, and related equipment in Texas by requiring the Texas Commission of Licensing and Regulation to set minimum standards of experience, education, and insurance for contractors who work on such equipment in Texas.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTIONS 1, 3, and 4 of this bill.

### **ANALYSIS**

C.S.H.B. 2643 amends the Health and Safety Code to include the following among the issues relating to the safety of elevators, escalators, and related equipment for which the Texas Commission of Licensing and Regulation is required to provide by rule: general liability insurance as a condition of contractor registration with coverage of not less than \$1 million for each single occurrence of bodily injury or death and \$500,000 for each single occurrence of property damage, the submission and review of proposed plans for installation or alteration of equipment, and continuing education requirements for renewal of contractor registration.

C.S.H.B. 2643 removes the prohibition against the commission by rule requiring building owners to submit to the Texas Department of Licensing and Regulation (TDLR) proposed plans for equipment installation or alteration. The bill includes among the actions for which the executive director of TDLR is authorized to charge a reasonable fee as set by the commission the submission for review of proposals to install or alter equipment and the review and approval of continuing education providers and courses for renewal of contractor registration.

C.S.H.B. 2643 extends the requirement that a contractor engaged in the installation, repair, or maintenance of an elevator, escalator, or related equipment submit an application for registration to TDLR to an application for renewal of registration. The bill requires, rather than authorizes, the registration application form to require certain information and includes among that required information the designation of and information regarding the responsible party or parties as set out under the bill's provisions and the documentation of fulfillment of the continuing education requirements for renewal of registration, if applicable.

C.S.H.B. 2643 requires each contractor who registers with TDLR to designate at least one but not more than two responsible parties. The bill requires such a designated responsible party to have a minimum of three years of elevator contractor experience related to elevator installation, repair, and maintenance and to comply with the education, training, and continuing education requirements as determined by commission rule in order for an elevator contractor to renew the elevator contractor registration. The bill requires the commission to adopt rules regarding documentation of the required training and completion of the continuing education to accompany the application for registration.

C.S.H.B. 2643 authorizes a responsible party to be added to or removed from the registration at any time by providing written notice to TDLR and requires such written notice to include evidence that the responsible party meets the requirements established by the bill.

C.S.H.B. 2643 requires each contractor's responsible party to complete continuing education requirements set by commission rule before the contractor is authorized to renew the contractor's registration. The bill requires a provider of continuing education for renewal of contractor registrations to register with TDLR and comply with rules adopted by the commission relating to continuing education for elevator contractors and a contractor's designated responsible party.

C.S.H.B. 2643 requires the commission, not later than January 1, 2012, to adopt the rules required under the bill's provisions relating to general liability insurance as a condition of contractor registration and limits the applicability of those rules to an application for an original or renewal registration of a contractor filed on or after March 31, 2012.

C.S.H.B. 2643 requires the commission, not later than June 1, 2012, to adopt the rules required under the bill's provisions relating to the submission and review of proposed plans for installation or alteration of equipment and limits the applicability of those rules to the installation or alteration of equipment performed under a contract or work order entered into or issued on or after September 1, 2012.

C.S.H.B. 2643 requires the commission, not later than June 1, 2012, to adopt the rules required under the bill's provisions relating to continuing education requirements for renewal of contractor registration and limits the applicability of those rules and of the provisions of the bill relating to those requirements to a renewal of registration issued on or after January 1, 2013.

C.S.H.B. 2643 makes its provisions relating to the designation of a responsible party or parties applicable only to a registration issued or renewed on or after September 1, 2011.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2643 differs from the original, in the issues relating to the safety of elevators, escalators, and related equipment for which the Texas Commission of Licensing and Regulation is required to provide by rule, by including general liability insurance as a condition of contractor registration with specified minimum coverage, whereas the original includes minimum insurance standards as a condition of certification and registration. The substitute includes among those issues the submission and review of proposed plans for installation or alteration of equipment, whereas the original includes proposed plans for installation or alteration of related equipment to be submitted to the Texas Department of Licensing and Regulation (TDLR). The substitute includes as an issue not included in the original continuing education requirements for renewal of contractor registration. The substitute omits as an issue minimum experience and education standards as a condition of certification and registration, whereas the original includes that as an issue.

C.S.H.B. 2643 differs from the original by retaining a statutory provision removed in the original that prohibits the commission by rule from requiring persons to post a bond or furnish insurance or to have minimum experience or education as a condition of certification or registration as a qualified inspector or contractor, and adding an exception in that provision.

C.S.H.B. 2643 contains a provision not included in the original adding, in the statutory provision authorizing the executive director of TDLR to charge a fee for certain actions, the following actions: the submission for review of proposals to install or alter equipment and the review and approval of continuing education providers and courses for renewal of contractor registration.

C.S.H.B. 2643 contains a provision not included in the original extending the requirement that a contractor engaged in the installation, repair, or maintenance of an elevator, escalator, or related equipment submit an application for registration to TDLR to include an application for the renewal of registration. The substitute contains provisions not included in the original requiring, rather than authorizing, the registration application form to require certain information and adding specified items to that required information.

C.S.H.B. 2643 contains provisions not included in the original relating to the required designation by each registered contractor of a responsible party or parties and relating to the continuing education requirement for each designated responsible party for the renewal of the contractor's registration.

C.S.H.B. 2643 differs from the original by requiring the commission to adopt rules relating to general liability insurance requirements not later than January 1, 2012, and to adopt rules relating to the submission and review of proposed plans and continuing education requirements for registration renewal not later than June 1, 2012, whereas the original requires the commission to adopt rules relating to minimum insurance standards, minimum experience and education standards, and proposed plans for installation or alteration of related equipment not later than November 1, 2011.

C.S.H.B. 2643 differs from the original by establishing staggered dates for the applicability of the rules adopted under the substitute's provisions, whereas the original establishes that a person is not required to comply with the rules adopted under the original's provisions before January 1, 2012. The substitute contains provisions not included in the original making the substitute's provisions relating to the designation of a responsible party or parties applicable only to a registration issued or renewed on or after September 1, 2011, and limiting the applicability of the substitute's provisions relating to continuing education requirements to a renewal of registration issued on or after January 1, 2013.