

## BILL ANALYSIS

Senate Research Center  
82R24760 JSC-F

C.S.H.B. 2643  
By: Hamilton (Watson)  
Business & Commerce  
5/21/2011  
Committee Report (Substituted)

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.H.B. 2643 amends current law relating to safety standards for elevators, escalators, and related equipment.

### RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Commission of Licensing and Regulation is modified in SECTION 1 (Section 754.015, Health and Safety Code) of this bill.

Rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation SECTION 3 (Section 754.0173, Health and Safety Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 754.015(a), (b), and (d), Health and Safety Code, as follows:

(a) Requires the Texas Commission of Licensing and Regulation (TCLR) by rule to provide for:

(1)-(7) Makes no changes to these subdivisions;

(8) 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;

(9) the submission and review of proposed plans for installation or alteration of equipment; and

(10) continuing education requirements for renewal of contractor registration.

(b) Prohibits TCLR by rule from:

(1) Makes no changes to this subdivision;

(2) requiring persons to post a bond or furnish insurance or to have minimum experience or education as a condition of certification or registration, except as otherwise provided by this chapter; or

(3) Renumbers existing Subdivision (4) as Subdivision (3). Makes no further changes to this subdivision.

Deletes existing text prohibiting TCLR by rule from requiring building owners to submit to the Texas Department of Licensing and Regulation (TDLR) proposed plans for equipment installation or alteration.

(d) Authorizes the executive director of TDLR to charge a reasonable fee as set by TCLR for:

- (1)-(4) Makes no changes to these subdivisions;
- (5) submitting for review plans for the installation or alteration of equipment;
- (6) reviewing and approving continuing education providers and courses for renewal of contractor registration;
- (7) applying for a waiver, variance, or delay; and
- (8) attending a continuing education program sponsored by TDLR for registered QEI-1 inspectors. Renumbers existing Subdivision (6) as Subdivision (8).

Makes nonsubstantive changes.

SECTION 2. Amends Section 754.0171(b), Health and Safety Code, as follows:

- (b) Requires a contractor to submit an application for registration or renewal of registration, as applicable, and pay appropriate fees to TDLR. Requires, rather than authorizes, the registration application form to require:
  - (1) information concerning the background, experience, and identity, rather than or identity, of the applicant;
  - (2) designation of and information regarding the responsible party or parties under Section 754.0173; and
  - (3) documentation of fulfillment of the continuing education requirements for renewal of registration, if applicable.

SECTION 3. Amends Subchapter B, Chapter 754, Health and Safety Code, by adding Section 754.0173 and 754.0174, as follows:

Sec. 754.0173. DESIGNATION OF RESPONSIBLE PARTY OR PARTIES. (a) Requires each contractor who registers with TDLR to designate at least one but not more than two responsible parties.

- (b) Requires a responsible party designated under this section to:
  - (1) have a minimum of three years of elevator contractor experience related to elevator installation, repair, and maintenance; and
  - (2) comply with continuing education requirements as determined by TCLR rule in order for an elevator contractor to renew an elevator contractor registration.
- (c) Requires TCLR to adopt rules regarding documentation of the required training and completion of the continuing education to accompany the application for registration.
- (d) Authorizes a responsible party to be added to or removed from the registration at any time by providing written notice to TDLR. Requires that a written notice, if a responsible party is added to a registration, include evidence that the responsible party meets the requirements of this section.

Sec. 754.0174. CONTINUING EDUCATION FOR RENEWAL OF CONTRACTOR REGISTRATIONS. (a) Requires each contractor's responsible party to complete continuing education requirements set by TCLR rule before the contractor may renew the contractor's registration.

- (b) Requires a provider of continuing education under this section to:

(1) register with TDLR; and

(2) comply with rules adopted by TCLR relating to continuing education for a designated responsible party.

SECTION 4. (a) Requires TCLR to adopt the rules required by Section 754.015(a)(8), Health and Safety Code, as added by this Act, not later than January 1, 2012.

(b) Requires TCLR to adopt the rules required by Sections 754.015(a)(9) and (10), Health and Safety Code, as added by this Act, not later than June 1, 2012.

SECTION 5. (a) Provides that the rules adopted under Section 754.015(a)(8), Health and Safety Code, as added by this Act, apply only to an application or renewal application for registration of a contractor filed on or after March 31, 2012. Provides that an application or renewal application for registration of a contractor filed before that date is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(b) Provides that the rules adopted under Section 754.015(a)(9), Health and Safety Code, as added by this Act, apply only to installation or alteration of equipment performed under a contract or work order entered into or issued on or after September 1, 2012. Provides that installation or alteration of equipment performed under a contract or work order entered into or issued before September 1, 2012, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(c) Makes application of Section 754.0173, Health and Safety Code, as added by this Act, only to a registration issued or renewed on or after September 1, 2011, prospective.

(d) Provides that application of Section 754.0174, Health and Safety Code, as added by this Act, and the rules adopted under Section 754.015(a)(10), Health and Safety Code, as added by this Act, apply only to a renewal of registration issued on or after January 1, 2013. Provides that a renewal of registration issued before January 1, 2013, is covered by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 6. Effective date: upon passage or September 1, 2011.