

BILL ANALYSIS

S.B. 1598
By: Carona
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 2007, the 80th Legislature passed H.B. 2636 as a recodification of articles in the Insurance Code. The changes were intended to be nonsubstantive changes to clarify and simplify statutes and to make the statutes more accessible, understandable, and usable. However, as it often happens, the simplification led to a change in the application of the law regarding exemptions for companies required to do monthly quick checks of their portable fire extinguishers. The monthly quick check is a simple look at the exterior of the extinguisher as prescribed by a national standard and state law.

Prior to the enactment on April 1, 2009, the regulation of monthly quick checks was done in accordance with the rules of each local jurisdiction. After the change in statutory language, the Texas Department of Insurance and the State Fire Marshal Office questioned whether they are now required to regulate who performs a monthly quick check. Monthly quick checks are recommended by the National Fire Protection Association's national standards to ensure that a fire extinguisher is in its designated place, that it has not been actuated or tampered with, and that there is no obvious physical damage or condition to prevent its operation.

Many large businesses will have hundreds, or even thousands, of fire extinguishers. Instead of hiring one or more company employees to conduct these simple inspections, the companies instead have chosen in the past to use contract employees, such as security services, which are on premises and patrolling the facilities on a daily basis. The companies have specially trained the third party contractors to conduct the quick checks and in doing so have freed up company employees to focus on business more pertinent to the company's mission. All annual servicing of the portable fire extinguishers is done by a licensed entity.

As proposed, S.B. 1598 amends current law relating to the inspection of portable fire extinguishers.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1. Amends Section 6001.002, Insurance Code, by adding Subdivision (5-a) and amending Subdivision (7), to define "portable fire extinguisher inspection" and to redefine "service" and "servicing" in this section.

SECTION 2. Amends Section 6001.156(a), Insurance Code, to provide that the licensing provisions of this chapter do not apply to certain actions or entities, including the inspection of a firm's portable fire extinguisher by a person who is specially trained to perform portable fire extinguisher inspections and is under contract with the firm for that purpose.

SECTION 3. Effective date: September 1, 2011.

EFFECTIVE DATE

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