

By: Carona

S.B. No. 1244

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the licensing and regulation of air conditioning and
3 refrigeration contractors and contracting companies; providing
4 penalties.

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

6 SECTION 1. The heading to Chapter 1302, Occupations Code,
7 is amended to read as follows:

8 CHAPTER 1302. AIR CONDITIONING AND REFRIGERATION PROFESSIONALS
9 [~~CONTRACTORS~~]

10 SECTION 2. Section 1302.001, Occupations Code, is amended
11 to read as follows:

12 Sec. 1302.001. SHORT TITLE. This chapter may be cited as
13 the Air Conditioning and Refrigeration [~~Contractor~~] License Law.

14 SECTION 3. Section 1302.002, Occupations Code, is amended
15 by amending Subdivisions (1), (4), and (5-a) and adding Subdivision
16 (5-c) to read as follows:

17 (1) "Advisory board" means the air conditioning and
18 refrigeration [~~contractors~~] advisory board.

19 (4) "Air conditioning and refrigeration master
20 [~~contractor~~]" means a person who engages in air conditioning and
21 refrigeration contracting.

22 (5-a) "Air conditioning and refrigeration technician"
23 means a person who assists and works under the supervision of a
24 licensed air conditioning and refrigeration master [~~contractor~~] in

1 performing air conditioning and refrigeration maintenance work.

2 (5-c) "Air conditioning and refrigeration trainee"
3 means a person who is not licensed as an air conditioning and
4 refrigeration technician and who assists and works under the
5 supervision of a licensed air conditioning and refrigeration master
6 in performing air conditioning and refrigeration maintenance work.

7 SECTION 4. Subsection (a), Section 1302.101, Occupations
8 Code, is amended to read as follows:

9 (a) The commission shall adopt rules for the practice of air
10 conditioning and refrigeration contracting and maintenance work
11 that are at least as strict as the standards provided by:

- 12 (1) the Uniform Mechanical Code; and
- 13 (2) the International Mechanical Code.

14 SECTION 5. Subchapter C, Chapter 1302, Occupations Code, is
15 amended by adding Section 1302.1011 to read as follows:

16 Sec. 1302.1011. RULES REGARDING AIR CONDITIONING AND
17 REFRIGERATION CONTRACTING COMPANIES. The commission shall adopt
18 rules:

19 (1) providing for the licensing of persons and
20 entities under this chapter, including requirements for the
21 issuance and renewal of a license;

22 (2) establishing fees necessary for the
23 administration of this chapter, including fees for issuance and
24 renewal of licenses; and

25 (3) implementing the requirements of this chapter as
26 applicable to persons, entities, and activities regulated under
27 this chapter.

1 SECTION 6. Section 1302.102, Occupations Code, is amended
2 to read as follows:

3 Sec. 1302.102. INSURANCE REQUIREMENTS. [~~(a)~~] The
4 commission by rule [~~executive director~~] shall set insurance
5 requirements for an air conditioning and refrigeration contracting
6 company licensed [~~a license holder~~] under this chapter.

7 [~~(b) The executive director may waive the insurance~~
8 ~~requirements for a license holder who does not engage in air~~
9 ~~conditioning and refrigeration contracting for the public.~~]

10 SECTION 7. Section 1302.103, Occupations Code, is amended
11 to read as follows:

12 Sec. 1302.103. [~~RULES REGARDING~~] USE AND DISPLAY OF
13 LICENSE. The commission, with the advice of the advisory board,
14 shall adopt rules relating to the use, display, and advertisement
15 of a license issued under this chapter.

16 SECTION 8. Section 1302.105, Occupations Code, is amended
17 to read as follows:

18 Sec. 1302.105. PERSONNEL [~~, EXAMINERS~~]. [~~(a)~~] The
19 department may employ personnel necessary to administer this
20 chapter.

21 [~~(b) The department shall employ at least two full-time air~~
22 ~~conditioning and refrigeration contractors to serve as examiners.~~]

23 SECTION 9. Section 1302.201, Occupations Code, is amended
24 to read as follows:

25 Sec. 1302.201. ADVISORY BOARD MEMBERSHIP. The air
26 conditioning and refrigeration [~~contractors~~] advisory board
27 consists of seven members appointed by the presiding officer of the

1 commission, with the commission's approval, and two ex officio
2 nonvoting members. One member of the advisory board must be a
3 public member.

4 SECTION 10. Section 1302.202, Occupations Code, is amended
5 to read as follows:

6 Sec. 1302.202. APPOINTED MEMBERS. (a) Except for the
7 public member, each [~~Each~~] appointed advisory board member must be
8 experienced in the design, installation, construction,
9 maintenance, service, repair, or modification of equipment used for
10 environmental air conditioning, commercial refrigeration, or
11 process cooling or heating. Other than the public member, of [~~of~~]
12 the appointed members:

13 (1) one must be an official of a municipality with a
14 population of more than 250,000;

15 (2) one must be an official of a municipality with a
16 population of not more than 250,000; and

17 (3) four must be full-time licensed air conditioning
18 and refrigeration masters [~~contractors~~], as follows:

19 (A) one member who holds a Class A license and
20 practices in a municipality with a population of more than 250,000;

21 (B) one member who holds a Class B license and
22 practices in a municipality with a population of more than 250,000;

23 (C) one member who holds a Class A license and
24 practices in a municipality with a population of more than 25,000
25 but not more than 250,000; and

26 (D) one member who holds a Class B license and
27 practices in a municipality with a population of not more than

1 25,000.

2 (b) At least one [~~appointed~~] advisory board member
3 appointed under Subsection (a)(3) must be an air conditioning and
4 refrigeration master [~~contractor~~] who employs organized labor [~~and~~
5 ~~at least two appointed members must be air conditioning and~~
6 ~~refrigeration contractors who are licensed engineers~~].

7 SECTION 11. The heading to Subchapter F, Chapter 1302,
8 Occupations Code, is amended to read as follows:

9 SUBCHAPTER F. AIR CONDITIONING AND REFRIGERATION MASTER [~~LICENSE~~
10 ~~REQUIREMENTS~~]

11 SECTION 12. Section 1302.251, Occupations Code, is amended
12 to read as follows:

13 Sec. 1302.251. LICENSE REQUIRED. (a) A person may not
14 engage in air conditioning and refrigeration contracting unless the
15 person holds an air conditioning and refrigeration master [~~a~~]
16 license under this subchapter or Subchapter G.

17 (b) A master license issued under this subchapter is valid
18 throughout the state. A person who holds a license issued under
19 this subchapter is not required to hold a municipal license under
20 Subchapter G to engage in air conditioning and refrigeration
21 contracting in any municipality in this state.

22 SECTION 13. Section 1302.252, Occupations Code, is amended
23 to read as follows:

24 Sec. 1302.252. REQUIREMENT FOR AIR CONDITIONING AND
25 REFRIGERATION MASTER LICENSE [~~CONTRACTING COMPANY~~]. (a) An air
26 conditioning and refrigeration master may engage in air
27 conditioning and refrigeration contracting only for an air

1 conditioning and refrigeration contracting company licensed under
2 Subchapter G or M [~~contracting company must employ full-time in~~
3 ~~each permanent office a license holder who holds an appropriate~~
4 ~~license assigned to that company~~].

5 (b) An air conditioning and refrigeration master may assign
6 the master's license to only one air conditioning and refrigeration
7 contracting company and to only one permanent office of that
8 company [~~A company that does not employ a license holder as required~~
9 ~~by Subsection (a) at the time a contract for air conditioning and~~
10 ~~refrigeration contracting services is signed and at the time the~~
11 ~~services are performed may not collect a fee or otherwise enforce~~
12 ~~the contract~~].

13 SECTION 14. Subsection (a), Section 1302.253, Occupations
14 Code, is amended to read as follows:

15 (a) The executive director shall issue a Class A or Class B
16 air conditioning and refrigeration master [~~contractor~~] license.

17 SECTION 15. Subsection (a), Section 1302.254, Occupations
18 Code, is amended to read as follows:

19 (a) An air conditioning and refrigeration master
20 [~~contractor~~] license must be endorsed with one or both of the
21 following endorsements:

- 22 (1) an environmental air conditioning endorsement; or
23 (2) a commercial refrigeration and process cooling or
24 heating endorsement.

25 SECTION 16. Section 1302.255, Occupations Code, is amended
26 to read as follows:

27 Sec. 1302.255. ELIGIBILITY REQUIREMENTS. (a) An

1 applicant for a license under this subchapter [~~chapter~~] must:

2 (1) be at least 18 years old; and

3 (2) have held a technician license for at least 36
4 months [~~of practical experience with the tools of the trade~~] in the
5 preceding 48 months under the supervision of a licensed air
6 conditioning and refrigeration master or contractor [~~five years~~].

7 (a-1) An applicant who has equivalent experience in another
8 state or who held an equivalent license in another state may receive
9 credit for the experience as determined by the executive director.

10 (b) Notwithstanding the requirements of [~~For purposes of~~
11 ~~determining an applicant's practical experience under~~] Subsection
12 (a)(2), an applicant may satisfy a portion of the practical
13 experience requirement as provided by Subsection (c).

14 (c) An applicant who obtains a degree or diploma or
15 completes a certification program from an institution of higher
16 education that holds a certificate of authority issued by the Texas
17 Higher Education Coordinating Board, or an equivalent governing
18 body in another state as approved by the executive director, may
19 satisfy a portion of the practical experience requirement as
20 follows:

21 (1) completing a four-year degree or diploma in air
22 conditioning engineering or technology, refrigeration engineering
23 or technology, or mechanical engineering is equivalent to 24 months
24 [~~two years~~] of practical experience [~~if:~~

25 [~~(1) the degree or diploma is from an institution of~~
26 ~~higher education]; [and]~~

27 (2) completing a two-year associate's degree, a

1 two-year diploma, or a two-year certification program primarily
2 focused on air conditioning and refrigeration-related work is
3 equivalent to 12 months of practical experience;

4 (3) completing a one-year certification program, or a
5 program of at least two semesters, in air conditioning and
6 refrigeration-related work is equivalent to six months of practical
7 experience; and

8 (4) completing a program resulting in another
9 applicable degree, diploma, or certification shall be equivalent to
10 the amount of practical experience determined by the department
11 under commission rule [~~the institution's program is approved by the~~
12 ~~Texas Board of Professional Engineers for the purpose of licensing~~
13 ~~engineers~~].

14 (d) Every 2,000 hours of on-the-job training in an air
15 conditioning and refrigeration apprenticeship program registered
16 with the United States Department of Labor Office of Apprenticeship
17 is equivalent to 12 months of practical experience under Subsection
18 (a)(2).

19 (e) Notwithstanding the requirements of Subsection (a)(2),
20 each of the following qualifies as practical experience for
21 purposes of satisfying the 36-month requirement:

22 (1) verified military service in which the person was
23 trained in or performed air conditioning and refrigeration-related
24 work as part of the person's military occupational specialty; and

25 (2) experience performing air conditioning and
26 refrigeration-related work as described by Section 1302.055,
27 1302.056, or 1302.057 or while employed by a governmental entity.

1 SECTION 17. Subsections (a) and (c), Section 1302.256,
2 Occupations Code, are amended to read as follows:

3 (a) An applicant for an air conditioning and refrigeration
4 master [~~a~~] license must submit a verified application on a form
5 prescribed by the executive director.

6 (c) The application must be accompanied by:

7 (1) a statement containing evidence satisfactory to
8 the executive director of the applicant's practical experience
9 required by Section 1302.255(a)(2); and

10 (2) the required fees [~~examination fee~~].

11 SECTION 18. Subsection (b), Section 1302.257, Occupations
12 Code, is amended to read as follows:

13 (b) The executive director shall prescribe the method and
14 content of an examination administered under this subchapter
15 [~~chapter~~] and shall set compliance requirements for the
16 examination. To obtain an endorsement, an applicant must pass the
17 examination for the endorsement.

18 SECTION 19. Section 1302.260, Occupations Code, is amended
19 to read as follows:

20 Sec. 1302.260. ISSUANCE AND TERM OF LICENSE. (a) The
21 department [~~On payment of the license fee, the executive director~~]
22 shall issue an air conditioning and refrigeration master
23 [~~contractor~~] license to an applicant who:

24 (1) submits a verified application;

25 (2) passes the applicable examination;

26 (3) meets the requirements of this chapter and rules
27 adopted under this chapter [~~subchapter~~]; and

1 (4) pays the required fees

2 ~~[(2) provides evidence of insurance coverage required~~
3 ~~by the executive director in accordance with this chapter, and~~

4 ~~[(3) passes the applicable examination].~~

5 (b) A license issued under this chapter expires on the first
6 anniversary of the date of issuance ~~[at the end of the license~~
7 ~~period set by the commission].~~

8 SECTION 20. Section 1302.262, Occupations Code, is amended
9 to read as follows:

10 Sec. 1302.262. NOTICE TO MUNICIPALITIES. (a) A person or
11 entity that ~~[who]~~ obtains a license under this subchapter or
12 Subchapter M shall provide a notice to the municipal authority that
13 enforces air conditioning and refrigeration contracting
14 regulations in the municipality in which the person or entity
15 engages in air conditioning and refrigeration contracting.

16 (b) The notice must inform the municipality that the person
17 or entity has obtained a license under this subchapter and must be
18 in the form required by the municipality.

19 (c) A municipality may charge a fee to a person or entity
20 that ~~[who]~~ provides the notice required by this section. The
21 municipality shall set the fee in an amount reasonable and
22 necessary to administer this section.

23 SECTION 21. Section 1302.263, Occupations Code, is amended
24 to read as follows:

25 Sec. 1302.263. LIMITATION ON LICENSE HOLDER ~~[OR REGISTERED~~
26 ~~TECHNICIAN]~~. A person licensed under this subchapter ~~[chapter]~~ may
27 not:

1 (1) perform or offer or attempt to perform an act,
2 service, or function that is:

3 (A) defined as the practice of engineering under
4 Chapter 1001, unless the person holds a license under that chapter;

5 (B) regulated under Chapter 113, Natural
6 Resources Code, unless the person holds a license or is exempt by
7 rule under that chapter; or

8 (C) defined as plumbing under Chapter 1301,
9 unless the person holds a license under that chapter; ~~or~~

10 (2) use the services of a person who is not [~~a~~
11 ~~registered technician or~~] a licensed air conditioning and
12 refrigeration master, a licensed air conditioning and
13 refrigeration technician, or a licensed air conditioning and
14 refrigeration trainee [~~contractor~~] to assist in the performance of
15 air conditioning and refrigeration maintenance work; or

16 (3) work with a person or entity that is not a licensed
17 air conditioning and refrigeration contracting company in the
18 performance of air conditioning and refrigeration contracting.

19 SECTION 22. Section 1302.301, Occupations Code, is amended
20 to read as follows:

21 Sec. 1302.301. MUNICIPAL LICENSE. An air conditioning and
22 refrigeration master or similarly titled contractor license or air
23 conditioning and refrigeration contracting company license issued
24 by a municipality of this state and that complies with the
25 requirements of this subchapter is valid under the terms of the
26 license within the municipality.

27 SECTION 23. Section 1302.302, Occupations Code, is amended

1 to read as follows:

2 Sec. 1302.302. MUNICIPAL MASTER LICENSE: ELIGIBILITY
3 REQUIREMENTS. An applicant for a municipal master or similarly
4 titled contractor license must:

5 (1) pass an examination that covers the same subjects
6 as the examination required under Subchapter F for a license of the
7 class that entitles the holder of the license to perform the work
8 the applicant proposes to perform; and

9 (2) meet experience requirements that are at least as
10 strict as the requirements under Section 1302.255(a)(2).

11 SECTION 24. Subsection (a), Section 1302.303, Occupations
12 Code, is amended to read as follows:

13 (a) A municipality may by ordinance adopt and enforce
14 standards for air conditioning and refrigeration masters or
15 similarly titled contractors and for air conditioning and
16 refrigeration contracting companies that are consistent with the
17 standards established under this chapter.

18 SECTION 25. Subsection (a), Section 1302.452, Occupations
19 Code, is amended to read as follows:

20 (a) A municipal or county official may issue a citation to
21 an air conditioning and refrigeration contracting company that
22 engages in air conditioning and refrigeration contracting without
23 complying with Section 1302.602 [~~1302.252~~].

24 SECTION 26. Subsection (a), Section 1302.453, Occupations
25 Code, is amended to read as follows:

26 (a) A person commits an offense if the person:

27 (1) knowingly engages in air conditioning and

1 refrigeration contracting without holding a license issued under
2 this chapter; ~~[or]~~

3 (2) knowingly engages in air conditioning and
4 refrigeration maintenance work without holding a license issued
5 under this chapter; or

6 (3) purchases a refrigerant or equipment containing a
7 refrigerant in this state in violation of Section 1302.353,
8 1302.355, or 1302.356.

9 SECTION 27. Section 1302.501, Occupations Code, is amended
10 to read as follows:

11 Sec. 1302.501. LICENSE ~~[REGISTRATION]~~ REQUIRED. (a) A
12 person may not act or offer to act as an air conditioning and
13 refrigeration technician unless the person is licensed
14 ~~[registered]~~ under this subchapter.

15 (b) An air conditioning and refrigeration technician
16 license ~~[A registration]~~ is valid throughout the state.

17 SECTION 28. Section 1302.503, Occupations Code, is amended
18 to read as follows:

19 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR TECHNICIANS
20 ~~[REGISTRANTS]~~. An air conditioning and refrigeration technician
21 must be supervised by an air conditioning and refrigeration master
22 ~~[contractor]~~ licensed under this chapter.

23 SECTION 29. Subchapter K, Chapter 1302, Occupations Code,
24 is amended by adding Section 1302.5035 to read as follows:

25 Sec. 1302.5035. ELIGIBILITY REQUIREMENTS. (a) An
26 applicant for a license under this subchapter must:

27 (1) be at least 18 years old; and

1 (2) have at least 12 months of practical experience in
2 air conditioning and refrigeration maintenance in the preceding 24
3 months under the supervision of a licensed air conditioning and
4 refrigeration master or contractor.

5 (b) Notwithstanding the requirements of Subsection (a)(2),
6 an applicant may satisfy a portion of the practical experience
7 requirement as provided by Subsection (c).

8 (c) An applicant who obtains a degree or diploma or
9 completes a certification program from an institution of higher
10 education that holds a certificate of authority issued by the Texas
11 Higher Education Coordinating Board, or an equivalent governing
12 body in another state as approved by the executive director, may
13 satisfy a portion of the practical experience requirement as
14 follows:

15 (1) completing a four-year degree or diploma in air
16 conditioning engineering or technology, refrigeration engineering
17 or technology, or mechanical engineering is equivalent to 24 months
18 of practical experience;

19 (2) completing a two-year associate's degree, a
20 two-year diploma, or a two-year certification program primarily
21 focused on air conditioning and refrigeration-related work is
22 equivalent to 12 months of practical experience; and

23 (3) completing a one-year certification program, or a
24 program of at least two semesters, in air conditioning and
25 refrigeration-related work is equivalent to six months of practical
26 experience.

27 (d) Every 2,000 hours of on-the-job training in an air

1 conditioning and refrigeration apprenticeship program registered
2 with the United States Department of Labor Office of Apprenticeship
3 is equivalent to 12 months of practical experience under Subsection
4 (a)(2).

5 (e) Notwithstanding the requirements of Subsection (a)(2),
6 each of the following qualifies as practical experience for
7 purposes of satisfying the 12-month requirement:

8 (1) verified military service in which the person was
9 trained in or performed air conditioning and refrigeration-related
10 work as part of the person's military occupational specialty; and

11 (2) experience performing air conditioning and
12 refrigeration-related work as described by Section 1302.055,
13 1302.056, or 1302.057 or while employed by a governmental entity.

14 SECTION 30. Section 1302.504, Occupations Code, is amended
15 to read as follows:

16 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for an
17 air conditioning and refrigeration technician license
18 [~~registration~~] must submit a verified [~~an~~] application on a form
19 prescribed by the executive director [~~commission~~].

20 (b) The completed application must be accompanied by:

21 (1) a statement containing evidence satisfactory to
22 the department of the applicant's practical experience; and

23 (2) the required fees [~~application fee~~].

24 SECTION 31. Subchapter K, Chapter 1302, Occupations Code,
25 is amended by adding Section 1302.5045 to read as follows:

26 Sec. 1302.5045. EXAMINATIONS. The executive director shall
27 prescribe an examination for an air conditioning and refrigeration

1 technician license, including the method, content, and compliance
2 requirements.

3 SECTION 32. Section 1302.505, Occupations Code, is amended
4 to read as follows:

5 Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) The
6 department shall issue an air conditioning and refrigeration
7 technician license to an applicant who:

8 (1) submits a verified application;

9 (2) passes the applicable examination;

10 (3) meets the requirements of this chapter and rules
11 adopted under this chapter; and

12 (4) pays the required fees [~~On receipt of a completed~~
13 ~~application, the department shall register an applicant who meets~~
14 ~~the requirements of this subchapter].~~

15 (b) A license issued under this subchapter [~~registration~~]
16 is valid for one year from the date of issuance.

17 SECTION 33. Subchapter K, Chapter 1302, Occupations Code,
18 is amended by adding Section 1302.509 to read as follows:

19 Sec. 1302.509. LIMITATIONS ON LICENSE HOLDER. A person
20 licensed under this subchapter may not:

21 (1) perform, offer to perform, or attempt to perform
22 an act that is:

23 (A) defined as the practice of engineering under
24 Chapter 1001, unless the person holds a license under that chapter;

25 (B) regulated under Chapter 113, Natural
26 Resources Code, unless the person holds a license under that
27 chapter or is exempt by a rule adopted under that chapter; or

1 (C) defined as plumbing under Chapter 1301,
2 unless the person holds a license under that chapter;

3 (2) assist a person who is not a licensed air
4 conditioning and refrigeration master in the performance of air
5 conditioning and refrigeration maintenance work; or

6 (3) work with a person or entity that is not a licensed
7 air conditioning and refrigeration contracting company in the
8 performance of air conditioning and refrigeration maintenance
9 work.

10 SECTION 34. Chapter 1302, Occupations Code, is amended by
11 adding Subchapter L to read as follows:

12 SUBCHAPTER L. AIR CONDITIONING AND REFRIGERATION TRAINEES

13 Sec. 1302.551. LICENSE REQUIRED. (a) A person may not act
14 or offer to act as an air conditioning and refrigeration trainee
15 unless the person is licensed under this subchapter.

16 (b) An air conditioning and refrigeration trainee license
17 is valid throughout the state.

18 Sec. 1302.552. SUPERVISION REQUIREMENTS FOR TRAINEES. An
19 air conditioning and refrigeration trainee must be supervised by an
20 air conditioning and refrigeration master licensed under this
21 chapter.

22 Sec. 1302.553. ELIGIBILITY REQUIREMENTS. (a) An
23 applicant for a license under this subchapter must be at least 18
24 years old.

25 (b) Practical experience or an examination is not required
26 for a trainee license.

27 Sec. 1302.554. APPLICATION; FEES. (a) An applicant for an

1 air conditioning and refrigeration trainee license must submit an
2 application on a form prescribed by the executive director.

3 (b) The completed application must be accompanied by the
4 required fees.

5 Sec. 1302.555. ISSUANCE AND TERM OF REGISTRATION. (a) The
6 department shall issue an air conditioning and refrigeration
7 trainee license to an applicant who:

8 (1) submits a verified application on a form
9 prescribed by the executive director;

10 (2) meets the requirements of this chapter and rules
11 adopted under this chapter; and

12 (3) pays the required fees.

13 (b) A license issued under this subchapter is valid for one
14 year from the date of issuance.

15 Sec. 1302.556. TEMPORARY LICENSE. The executive director
16 shall issue on request by an applicant a temporary license that
17 expires on the 21st day after the date of issuance to an applicant
18 who meets the qualifications for a temporary license under
19 commission rule.

20 Sec. 1302.557. LIMITATIONS ON LICENSE HOLDER. A person
21 licensed under this subchapter may not:

22 (1) perform, offer to perform, or attempt to perform
23 an act that is:

24 (A) defined as the practice of engineering under
25 Chapter 1001, unless the person holds a license under that chapter;

26 (B) regulated under Chapter 113, Natural
27 Resources Code, unless the person holds a license under that

1 chapter or is exempt by a rule adopted under that chapter; or
2 (C) defined as plumbing under Chapter 1301,
3 unless the person holds a license under that chapter;
4 (2) assist a person who is not a licensed air
5 conditioning and refrigeration master in the performance of air
6 conditioning and refrigeration maintenance work; or
7 (3) work with a person or entity that is not a licensed
8 air conditioning and refrigeration contracting company in the
9 performance of air conditioning and refrigeration maintenance
10 work.

11 SECTION 35. Chapter 1302, Occupations Code, is amended by
12 adding Subchapter M to read as follows:

13 SUBCHAPTER M. AIR CONDITIONING AND REFRIGERATION CONTRACTING
14 COMPANY LICENSE REQUIREMENTS

15 Sec. 1302.601. LICENSE REQUIRED. (a) A person or entity
16 may not operate an air conditioning and refrigeration contracting
17 company unless the person or entity holds a contracting company
18 license issued under this subchapter or Subchapter G.

19 (b) An air conditioning and refrigeration contracting
20 company license issued under this subchapter is valid throughout
21 the state.

22 Sec. 1302.602. REQUIREMENTS FOR AIR CONDITIONING AND
23 REFRIGERATION CONTRACTING COMPANY. (a) An air conditioning and
24 refrigeration contracting company must employ full-time in each
25 permanent office a licensed air conditioning and refrigeration
26 master who holds an appropriate license assigned to that
27 contracting company.

1 (b) An air conditioning and refrigeration contracting
2 company may engage in air conditioning and refrigeration
3 contracting within the scope of the license of the air conditioning
4 and refrigeration master assigned to that contracting company.

5 (c) An air conditioning and refrigeration contracting
6 company may subcontract a portion of a job that requires another
7 professional or occupational license only to a person or entity
8 that holds the required license.

9 (d) An air conditioning and refrigeration contracting
10 company that does not hold a contracting company license or does not
11 employ a licensed air conditioning and refrigeration master as
12 required by Subsection (a) at the time a contract for air
13 conditioning and refrigeration contracting services is signed and
14 at the time the services are performed may not collect a fee from a
15 customer or otherwise enforce the contract against a customer.

16 (e) An air conditioning and refrigeration contracting
17 company must maintain insurance at all times as required by the
18 commission by rule.

19 Sec. 1302.603. APPLICATION; FEE. (a) An applicant for an
20 air conditioning and refrigeration contracting company license
21 must submit an application on a form prescribed by the executive
22 director.

23 (b) The completed application must be accompanied by the
24 appropriate fees.

25 (c) An applicant for an air conditioning and refrigeration
26 contracting company license shall provide evidence of insurance
27 coverage as required by the commission by rule.

1 Sec. 1302.604. ISSUANCE AND TERM OF AIR CONDITIONING AND
2 REFRIGERATION CONTRACTING COMPANY LICENSE. (a) The department
3 shall issue an air conditioning and refrigeration contracting
4 company license to an applicant that:

5 (1) submits a verified application;

6 (2) passes the applicable examination;

7 (3) meets the requirements of this chapter and rules
8 adopted under this chapter; and

9 (4) pays the required fees.

10 (b) A license issued under this subchapter expires on the
11 first anniversary of the date of issuance.

12 Sec. 1302.605. TEMPORARY LICENSE. The commission by rule
13 may provide for the issuance of a temporary air conditioning and
14 refrigeration contracting company license to an applicant that:

15 (1) submits to the executive director an application
16 on a form prescribed by the executive director; and

17 (2) pays the required fees.

18 Sec. 1302.606. LIMITATIONS ON LICENSE HOLDER. A person or
19 entity licensed under this subchapter may not:

20 (1) perform, offer to perform, or attempt to perform
21 an act that is:

22 (A) defined as the practice of engineering under
23 Chapter 1001, unless the person holds a license under that chapter;

24 (B) regulated under Chapter 113, Natural
25 Resources Code, unless the person holds a license under that
26 chapter or is exempt by a rule adopted under that chapter; or

27 (C) defined as plumbing under Chapter 1301,

1 unless the person holds a license under that chapter; or
2 (2) use the services of a person who is not a licensed
3 air conditioning and refrigeration master, a licensed air
4 conditioning and refrigeration technician, or a licensed air
5 conditioning and refrigeration trainee to engage in air
6 conditioning and refrigeration contracting or air conditioning and
7 refrigeration maintenance work.

8 SECTION 36. The following sections of the Occupations Code
9 are repealed:

- 10 (1) Subdivisions (5-b) and (17), Section 1302.002;
- 11 (2) Section 1302.062;
- 12 (3) Section 1302.106;
- 13 (4) Section 1302.209;
- 14 (5) Subsections (c) and (d), Section 1302.257;
- 15 (6) Section 1302.261;
- 16 (7) Section 1302.502;
- 17 (8) Section 1302.506;
- 18 (9) Section 1302.507; and
- 19 (10) Section 1302.508.

20 SECTION 37. (a) Not later than February 1, 2012, the Texas
21 Commission of Licensing and Regulation shall adopt rules to
22 implement Chapter 1302, Occupations Code, as amended by this Act.

23 (b) The Texas Commission of Licensing and Regulation shall
24 adopt rules to convert and renew an air conditioning and
25 refrigeration contractor license issued before March 1, 2012, to an
26 air conditioning and refrigeration master license without imposing
27 the additional eligibility requirements under Chapter 1302,

1 Occupations Code, as amended by this Act.

2 (c) The Texas Commission of Licensing and Regulation shall
3 adopt rules to convert and renew an air conditioning and
4 refrigeration registration or certification issued before March 1,
5 2012, to an air conditioning and refrigeration technician license
6 without imposing the additional eligibility requirements under
7 Chapter 1302, Occupations Code, as amended by this Act.

8 (d) Chapter 1302, Occupations Code, as amended by this Act,
9 applies only to an application for a license under that chapter
10 submitted to the Texas Department of Licensing and Regulation on or
11 after March 1, 2012. An application for a license, registration, or
12 certification submitted under that chapter before that date is
13 governed by the law in effect on the date the application was
14 submitted, and the former law is continued in effect for that
15 purpose.

16 SECTION 38. (a) Except as provided by Subsection (b) of
17 this section, this Act takes effect March 1, 2012.

18 (b) Section 37 of this Act takes effect September 1, 2011.