

1-1 By: Carona S.B. No. 1244
1-2 (In the Senate - Filed March 7, 2011; March 16, 2011, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 April 11, 2011, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 0; April 11, 2011,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1244 By: Carona

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the licensing and regulation of air conditioning and
1-11 refrigeration contractors and contracting companies; providing
1-12 penalties.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. The heading to Chapter 1302, Occupations Code,
1-15 is amended to read as follows:

1-16 CHAPTER 1302. AIR CONDITIONING AND REFRIGERATION PROFESSIONALS
1-17 [~~CONTRACTORS~~]

1-18 SECTION 2. Section 1302.001, Occupations Code, is amended
1-19 to read as follows:

1-20 Sec. 1302.001. SHORT TITLE. This chapter may be cited as
1-21 the Air Conditioning and Refrigeration [~~Contractor~~] License Law.

1-22 SECTION 3. Section 1302.002, Occupations Code, is amended
1-23 by amending Subdivisions (1), (4), and (5-a) and adding Subdivision
1-24 (5-c) to read as follows:

1-25 (1) "Advisory board" means the air conditioning and
1-26 refrigeration [~~contractors~~] advisory board.

1-27 (4) "Air conditioning and refrigeration master
1-28 [~~contractor~~]" means a person who engages in air conditioning and
1-29 refrigeration contracting.

1-30 (5-a) "Air conditioning and refrigeration technician"
1-31 means a person who assists and works under the supervision of a
1-32 licensed air conditioning and refrigeration master [~~contractor~~] in
1-33 performing air conditioning and refrigeration maintenance work.

1-34 (5-c) "Air conditioning and refrigeration trainee"
1-35 means a person who is not licensed as an air conditioning and
1-36 refrigeration technician and who assists and works under the
1-37 supervision of a licensed air conditioning and refrigeration master
1-38 in performing air conditioning and refrigeration maintenance work.

1-39 SECTION 4. Subsection (a), Section 1302.101, Occupations
1-40 Code, is amended to read as follows:

1-41 (a) The commission shall adopt rules for the practice of air
1-42 conditioning and refrigeration contracting and maintenance work
1-43 that are at least as strict as the standards provided by:

1-44 (1) the Uniform Mechanical Code; and

1-45 (2) the International Mechanical Code.

1-46 SECTION 5. Subchapter C, Chapter 1302, Occupations Code, is
1-47 amended by adding Section 1302.1011 to read as follows:

1-48 Sec. 1302.1011. RULES REGARDING AIR CONDITIONING AND
1-49 REFRIGERATION CONTRACTING COMPANIES. The commission shall adopt
1-50 rules:

1-51 (1) providing for the licensing of persons and
1-52 entities under this chapter, including requirements for the
1-53 issuance and renewal of a license;

1-54 (2) establishing fees necessary for the
1-55 administration of this chapter, including fees for issuance and
1-56 renewal of licenses; and

1-57 (3) implementing the requirements of this chapter as
1-58 applicable to persons, entities, and activities regulated under
1-59 this chapter.

1-60 SECTION 6. Section 1302.102, Occupations Code, is amended
1-61 to read as follows:

1-62 Sec. 1302.102. INSURANCE REQUIREMENTS. [~~(a)~~] The
1-63 commission by rule [~~executive director~~] shall set insurance

2-1 requirements for an air conditioning and refrigeration contracting
2-2 company licensed [a license holder] under this chapter.

2-3 ~~[(b) The executive director may waive the insurance~~
2-4 ~~requirements for a license holder who does not engage in air~~
2-5 ~~conditioning and refrigeration contracting for the public.]~~

2-6 SECTION 7. Section 1302.103, Occupations Code, is amended
2-7 to read as follows:

2-8 Sec. 1302.103. ~~[RULES REGARDING]~~ USE AND DISPLAY OF
2-9 LICENSE. The commission, with the advice of the advisory board,
2-10 shall adopt rules relating to the use, display, and advertisement
2-11 of a license issued under this chapter.

2-12 SECTION 8. Section 1302.105, Occupations Code, is amended
2-13 to read as follows:

2-14 Sec. 1302.105. PERSONNEL~~[, EXAMINERS]~~. ~~[(a)]~~ The
2-15 department may employ personnel necessary to administer this
2-16 chapter.

2-17 ~~[(b) The department shall employ at least two full-time air~~
2-18 ~~conditioning and refrigeration contractors to serve as examiners.]~~

2-19 SECTION 9. Section 1302.201, Occupations Code, is amended
2-20 to read as follows:

2-21 Sec. 1302.201. ADVISORY BOARD MEMBERSHIP. The air
2-22 conditioning and refrigeration ~~[contractors]~~ advisory board
2-23 consists of seven members appointed by the presiding officer of the
2-24 commission, with the commission's approval, and two ex officio
2-25 nonvoting members. One member of the advisory board must be a
2-26 public member.

2-27 SECTION 10. Section 1302.202, Occupations Code, is amended
2-28 to read as follows:

2-29 Sec. 1302.202. APPOINTED MEMBERS. (a) Except for the
2-30 public member, each ~~[Each]~~ appointed advisory board member must be
2-31 experienced in the design, installation, construction,
2-32 maintenance, service, repair, or modification of equipment used for
2-33 environmental air conditioning, commercial refrigeration, or
2-34 process cooling or heating. Other than the public member, of ~~[of]~~
2-35 the appointed members:

2-36 (1) one must be an official of a municipality with a
2-37 population of more than 250,000;

2-38 (2) one must be an official of a municipality with a
2-39 population of not more than 250,000; and

2-40 (3) four must be full-time licensed air conditioning
2-41 and refrigeration masters ~~[contractors]~~, as follows:

2-42 (A) one member who holds a Class A license and
2-43 practices in a municipality with a population of more than 250,000;

2-44 (B) one member who holds a Class B license and
2-45 practices in a municipality with a population of more than 250,000;

2-46 (C) one member who holds a Class A license and
2-47 practices in a municipality with a population of more than 25,000
2-48 but not more than 250,000; and

2-49 (D) one member who holds a Class B license and
2-50 practices in a municipality with a population of not more than
2-51 25,000.

2-52 (b) At least one ~~[appointed]~~ advisory board member
2-53 appointed under Subsection (a)(3) must be an air conditioning and
2-54 refrigeration master ~~[contractor]~~ who employs organized labor ~~[and~~
2-55 ~~at least two appointed members must be air conditioning and~~
2-56 ~~refrigeration contractors who are licensed engineers].~~

2-57 SECTION 11. The heading to Subchapter F, Chapter 1302,
2-58 Occupations Code, is amended to read as follows:

2-59 SUBCHAPTER F. AIR CONDITIONING AND REFRIGERATION MASTER ~~[LICENSE~~
2-60 ~~REQUIREMENTS]~~

2-61 SECTION 12. Section 1302.251, Occupations Code, is amended
2-62 to read as follows:

2-63 Sec. 1302.251. LICENSE REQUIRED. (a) A person may not
2-64 engage in air conditioning and refrigeration contracting unless the
2-65 person holds an air conditioning and refrigeration master ~~[a]~~
2-66 license under this subchapter or Subchapter G.

2-67 (b) A master license issued under this subchapter is valid
2-68 throughout the state. A person who holds a license issued under
2-69 this subchapter is not required to hold a municipal license under

3-1 Subchapter G to engage in air conditioning and refrigeration
3-2 contracting in any municipality in this state.

3-3 SECTION 13. Section 1302.252, Occupations Code, is amended
3-4 to read as follows:

3-5 Sec. 1302.252. REQUIREMENT FOR AIR CONDITIONING AND
3-6 REFRIGERATION MASTER LICENSE [~~CONTRACTING COMPANY~~]. (a) An air
3-7 conditioning and refrigeration master may engage in air
3-8 conditioning and refrigeration contracting only for an air
3-9 conditioning and refrigeration contracting company licensed under
3-10 Subchapter G or M [~~contracting company must employ full-time in~~
3-11 ~~each permanent office a license holder who holds an appropriate~~
3-12 ~~license assigned to that company~~].

3-13 (b) An air conditioning and refrigeration master may assign
3-14 the master's license to only one air conditioning and refrigeration
3-15 contracting company and to only one permanent office of that
3-16 company [A company that does not employ a license holder as required
3-17 by Subsection (a) at the time a contract for air conditioning and
3-18 refrigeration contracting services is signed and at the time the
3-19 services are performed may not collect a fee or otherwise enforce
3-20 the contract].

3-21 SECTION 14. Subsection (a), Section 1302.253(a),
3-22 Occupations Code, is amended to read as follows:

3-23 (a) The executive director shall issue a Class A or Class B
3-24 air conditioning and refrigeration master [~~contractor~~] license.

3-25 SECTION 15. Subsection (a), Section 1302.254(a),
3-26 Occupations Code, is amended to read as follows:

3-27 (a) An air conditioning and refrigeration master
3-28 [~~contractor~~] license must be endorsed with one or both of the
3-29 following endorsements:

- 3-30 (1) an environmental air conditioning endorsement; or
- 3-31 (2) a commercial refrigeration and process cooling or
- 3-32 heating endorsement.

3-33 SECTION 16. Section 1302.255, Occupations Code, is amended
3-34 to read as follows:

3-35 Sec. 1302.255. ELIGIBILITY REQUIREMENTS. (a) An
3-36 applicant for a license under this subchapter [~~chapter~~] must:

- 3-37 (1) be at least 18 years old; and
- 3-38 (2) have held a technician license for at least 36
3-39 months [~~of practical experience with the tools of the trade~~] in the
3-40 preceding 48 months under the supervision of a licensed air
3-41 conditioning and refrigeration master or contractor [~~five years~~].

3-42 (a-1) An applicant who has equivalent experience in another
3-43 state or who held an equivalent license in another state may receive
3-44 credit for the experience as determined by the executive director.

3-45 (b) Notwithstanding the requirements of [For purposes of
3-46 determining an applicant's practical experience under] Subsection
3-47 (a)(2), an applicant may satisfy a portion of the practical
3-48 experience requirement as provided by Subsection (c).

3-49 (c) An applicant who obtains a degree or diploma or
3-50 completes a certification program from an institution of higher
3-51 education that holds a certificate of authority issued by the Texas
3-52 Higher Education Coordinating Board, or an equivalent governing
3-53 body in another state as approved by the executive director, may
3-54 satisfy a portion of the practical experience requirement as
3-55 follows:

3-56 (1) completing a four-year degree or diploma in air
3-57 conditioning engineering or technology, refrigeration engineering
3-58 or technology, or mechanical engineering is equivalent to 24 months
3-59 [two years] of practical experience [if:

3-60 (1) the degree or diploma is from an institution of
3-61 higher education]; [and]

3-62 (2) completing a two-year associate's degree, a
3-63 two-year diploma, or a two-year certification program primarily
3-64 focused on air conditioning and refrigeration-related work is
3-65 equivalent to 12 months of practical experience;

3-66 (3) completing a one-year certification program, or a
3-67 program of at least two semesters, in air conditioning and
3-68 refrigeration-related work is equivalent to six months of practical
3-69 experience; and

4-1 (4) completing a program resulting in another
 4-2 applicable degree, diploma, or certification shall be equivalent to
 4-3 the amount of practical experience determined by the department
 4-4 under commission rule [the institution's program is approved by the
 4-5 Texas Board of Professional Engineers for the purpose of licensing
 4-6 engineers].

4-7 (d) Every 2,000 hours of on-the-job training in an air
 4-8 conditioning and refrigeration apprenticeship program registered
 4-9 with the United States Department of Labor Office of Apprenticeship
 4-10 is equivalent to 12 months of practical experience under Subsection
 4-11 (a)(2).

4-12 (e) Notwithstanding the requirements of Subsection (a)(2),
 4-13 each of the following qualifies as practical experience for
 4-14 purposes of satisfying the 36-month requirement:

4-15 (1) verified military service in which the person was
 4-16 trained in or performed air conditioning and refrigeration-related
 4-17 work as part of the person's military occupational specialty; and

4-18 (2) experience performing air conditioning and
 4-19 refrigeration-related work as described by Section 1302.055,
 4-20 1302.056, or 1302.057 or while employed by a governmental entity.

4-21 SECTION 17. Subsections (a) and (c), Section 1302.256,
 4-22 Occupations Code, are amended to read as follows:

4-23 (a) An applicant for an air conditioning and refrigeration
 4-24 master [a] license must submit a verified application on a form
 4-25 prescribed by the executive director.

4-26 (c) The application must be accompanied by:

4-27 (1) a statement containing evidence satisfactory to
 4-28 the executive director of the applicant's practical experience
 4-29 required by Section 1302.255(a)(2); and

4-30 (2) the required fees [examination fee].

4-31 SECTION 18. Subsection (b), Section 1302.257, Occupations
 4-32 Code, is amended to read as follows:

4-33 (b) The executive director shall prescribe the method and
 4-34 content of an examination administered under this subchapter
 4-35 [chapter] and shall set compliance requirements for the
 4-36 examination. To obtain an endorsement, an applicant must pass the
 4-37 examination for the endorsement.

4-38 SECTION 19. Section 1302.260, Occupations Code, is amended
 4-39 to read as follows:

4-40 Sec. 1302.260. ISSUANCE AND TERM OF LICENSE. (a) The
 4-41 department [On payment of the license fee, the executive director]
 4-42 shall issue an air conditioning and refrigeration master
 4-43 [contractor] license to an applicant who:

4-44 (1) submits a verified application;

4-45 (2) passes the applicable examination;

4-46 (3) meets the requirements of this chapter and rules
 4-47 adopted under this chapter [subchapter]; and

4-48 (4) pays the required fees

4-49 [2) provides evidence of insurance coverage required
 4-50 by the executive director in accordance with this chapter, and

4-51 [3) passes the applicable examination].

4-52 (b) A license issued under this chapter expires on the first
 4-53 anniversary of the date of issuance [at the end of the license
 4-54 period set by the commission].

4-55 SECTION 20. Section 1302.262, Occupations Code, is amended
 4-56 to read as follows:

4-57 Sec. 1302.262. NOTICE TO MUNICIPALITIES. (a) A person or
 4-58 entity that [who] obtains a license under this subchapter or
 4-59 Subchapter M shall provide a notice to the municipal authority that
 4-60 enforces air conditioning and refrigeration contracting
 4-61 regulations in the municipality in which the person or entity
 4-62 engages in air conditioning and refrigeration contracting.

4-63 (b) The notice must inform the municipality that the person
 4-64 or entity has obtained a license under this subchapter and must be
 4-65 in the form required by the municipality.

4-66 (c) A municipality may charge a fee to a person or entity
 4-67 that [who] provides the notice required by this section. The
 4-68 municipality shall set the fee in an amount reasonable and
 4-69 necessary to administer this section.

5-1 SECTION 21. Section 1302.263, Occupations Code, is amended
5-2 to read as follows:

5-3 Sec. 1302.263. LIMITATION ON LICENSE HOLDER [~~OR REGISTERED~~
5-4 ~~TECHNICIAN~~]. A person licensed under this subchapter [~~chapter~~] may
5-5 not:

5-6 (1) perform or offer or attempt to perform an act,
5-7 service, or function that is:

5-8 (A) defined as the practice of engineering under
5-9 Chapter 1001, unless the person holds a license under that chapter;

5-10 (B) regulated under Chapter 113, Natural
5-11 Resources Code, unless the person holds a license or is exempt by
5-12 rule under that chapter; or

5-13 (C) defined as plumbing under Chapter 1301,
5-14 unless the person holds a license under that chapter; [~~or~~]

5-15 (2) use the services of a person who is not [~~a~~
5-16 ~~registered technician or~~] a licensed air conditioning and
5-17 refrigeration master, a licensed air conditioning and
5-18 refrigeration technician, or a licensed air conditioning and
5-19 refrigeration trainee [~~contractor~~] to assist in the performance of
5-20 air conditioning and refrigeration maintenance work; or

5-21 (3) work with a person or entity that is not a licensed
5-22 air conditioning and refrigeration contracting company in the
5-23 performance of air conditioning and refrigeration contracting.

5-24 SECTION 22. Section 1302.301, Occupations Code, is amended
5-25 to read as follows:

5-26 Sec. 1302.301. MUNICIPAL LICENSE. An air conditioning and
5-27 refrigeration master or similarly titled contractor license or air
5-28 conditioning and refrigeration contracting company license issued
5-29 by a municipality of this state and that complies with the
5-30 requirements of this subchapter is valid under the terms of the
5-31 license within the municipality.

5-32 SECTION 23. Section 1302.302, Occupations Code, is amended
5-33 to read as follows:

5-34 Sec. 1302.302. MUNICIPAL MASTER LICENSE: ELIGIBILITY
5-35 REQUIREMENTS. An applicant for a municipal master or similarly
5-36 titled contractor license must:

5-37 (1) pass an examination that covers the same subjects
5-38 as the examination required under Subchapter F for a license of the
5-39 class that entitles the holder of the license to perform the work
5-40 the applicant proposes to perform; and

5-41 (2) meet experience requirements that are at least as
5-42 strict as the requirements under Section 1302.255(a)(2).

5-43 SECTION 24. Subsection (a), Section 1302.303, Occupations
5-44 Code, is amended to read as follows:

5-45 (a) A municipality may by ordinance adopt and enforce
5-46 standards for air conditioning and refrigeration masters or
5-47 similarly titled contractors and for air conditioning and
5-48 refrigeration contracting companies that are consistent with the
5-49 standards established under this chapter.

5-50 SECTION 25. Subsection (a), Section 1302.452, Occupations
5-51 Code, is amended to read as follows:

5-52 (a) A municipal or county official may issue a citation to
5-53 an air conditioning and refrigeration contracting company that
5-54 engages in air conditioning and refrigeration contracting without
5-55 complying with Section 1302.602 [~~1302.252~~].

5-56 SECTION 26. Subsection (a), Section 1302.453, Occupations
5-57 Code, is amended to read as follows:

5-58 (a) A person commits an offense if the person:

5-59 (1) knowingly engages in air conditioning and
5-60 refrigeration contracting without holding a license issued under
5-61 this chapter; [~~or~~]

5-62 (2) knowingly engages in air conditioning and
5-63 refrigeration maintenance work without holding a license issued
5-64 under this chapter; or

5-65 (3) purchases a refrigerant or equipment containing a
5-66 refrigerant in this state in violation of Section 1302.353,
5-67 1302.355, or 1302.356.

5-68 SECTION 27. Section 1302.501, Occupations Code, is amended
5-69 to read as follows:

6-1 Sec. 1302.501. LICENSE [~~REGISTRATION~~] REQUIRED. (a) A
6-2 person may not act or offer to act as an air conditioning and
6-3 refrigeration technician unless the person is licensed
6-4 [~~registered~~] under this subchapter.

6-5 (b) An air conditioning and refrigeration technician
6-6 license [~~A registration~~] is valid throughout the state.

6-7 SECTION 28. Section 1302.503, Occupations Code, is amended
6-8 to read as follows:

6-9 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR TECHNICIANS
6-10 [~~REGISTRANTS~~]. An air conditioning and refrigeration technician
6-11 must be supervised by an air conditioning and refrigeration master
6-12 [~~contractor~~] licensed under this chapter.

6-13 SECTION 29. Subchapter K, Chapter 1302, Occupations Code,
6-14 is amended by adding Section 1302.5035 to read as follows:

6-15 Sec. 1302.5035. ELIGIBILITY REQUIREMENTS. (a) An
6-16 applicant for a license under this subchapter must:

- 6-17 (1) be at least 18 years old; and
- 6-18 (2) have at least 12 months of practical experience in
6-19 air conditioning and refrigeration maintenance in the preceding 24
6-20 months under the supervision of a licensed air conditioning and
6-21 refrigeration master or contractor.

6-22 (b) Notwithstanding the requirements of Subsection (a)(2),
6-23 an applicant may satisfy a portion of the practical experience
6-24 requirement as provided by Subsection (c).

6-25 (c) An applicant who obtains a degree or diploma or
6-26 completes a certification program from an institution of higher
6-27 education that holds a certificate of authority issued by the Texas
6-28 Higher Education Coordinating Board, or an equivalent governing
6-29 body in another state as approved by the executive director, may
6-30 satisfy a portion of the practical experience requirement as
6-31 follows:

- 6-32 (1) completing a four-year degree or diploma in air
6-33 conditioning engineering or technology, refrigeration engineering
6-34 or technology, or mechanical engineering is equivalent to 24 months
6-35 of practical experience;
- 6-36 (2) completing a two-year associate's degree, a
6-37 two-year diploma, or a two-year certification program primarily
6-38 focused on air conditioning and refrigeration-related work is
6-39 equivalent to 12 months of practical experience; and
- 6-40 (3) completing a one-year certification program, or a
6-41 program of at least two semesters, in air conditioning and
6-42 refrigeration-related work is equivalent to six months of practical
6-43 experience.

6-44 (d) Every 2,000 hours of on-the-job training in an air
6-45 conditioning and refrigeration apprenticeship program registered
6-46 with the United States Department of Labor Office of Apprenticeship
6-47 is equivalent to 12 months of practical experience under Subsection
6-48 (a)(2).

6-49 (e) Notwithstanding the requirements of Subsection (a)(2),
6-50 each of the following qualifies as practical experience for
6-51 purposes of satisfying the 12-month requirement:

- 6-52 (1) verified military service in which the person was
6-53 trained in or performed air conditioning and refrigeration-related
6-54 work as part of the person's military occupational specialty; and
- 6-55 (2) experience performing air conditioning and
6-56 refrigeration-related work as described by Section 1302.055,
6-57 1302.056, or 1302.057 or while employed by a governmental entity.

6-58 SECTION 30. Section 1302.504, Occupations Code, is amended
6-59 to read as follows:

6-60 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for an
6-61 air conditioning and refrigeration technician license
6-62 [~~registration~~] must submit a verified [~~an~~] application on a form
6-63 prescribed by the executive director [~~commission~~].

6-64 (b) The completed application must be accompanied by:

- 6-65 (1) a statement containing evidence satisfactory to
6-66 the department of the applicant's practical experience; and
- 6-67 (2) the required fees [~~application fee~~].

6-68 SECTION 31. Subchapter K, Chapter 1302, Occupations Code,
6-69 is amended by adding Section 1302.5045 to read as follows:

7-1 Sec. 1302.5045. EXAMINATIONS. The executive director shall
 7-2 prescribe an examination for an air conditioning and refrigeration
 7-3 technician license, including the method, content, and compliance
 7-4 requirements.

7-5 SECTION 32. Section 1302.505, Occupations Code, is amended
 7-6 to read as follows:

7-7 Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) The
 7-8 department shall issue an air conditioning and refrigeration
 7-9 technician license to an applicant who:

7-10 (1) submits a verified application;

7-11 (2) passes the applicable examination;

7-12 (3) meets the requirements of this chapter and rules
 7-13 adopted under this chapter; and

7-14 (4) pays the required fees [~~On receipt of a completed~~
 7-15 application, the department shall register an applicant who meets
 7-16 the requirements of this subchapter].

7-17 (b) A license issued under this subchapter [~~registration~~]
 7-18 is valid for one year from the date of issuance.

7-19 SECTION 33. Subchapter K, Chapter 1302, Occupations Code,
 7-20 is amended by adding Section 1302.509 to read as follows:

7-21 Sec. 1302.509. LIMITATIONS ON LICENSE HOLDER. A person
 7-22 licensed under this subchapter may not:

7-23 (1) perform, offer to perform, or attempt to perform
 7-24 an act that is:

7-25 (A) defined as the practice of engineering under
 7-26 Chapter 1001, unless the person holds a license under that chapter;

7-27 (B) regulated under Chapter 113, Natural
 7-28 Resources Code, unless the person holds a license under that
 7-29 chapter or is exempt by a rule adopted under that chapter; or

7-30 (C) defined as plumbing under Chapter 1301,
 7-31 unless the person holds a license under that chapter;

7-32 (2) assist a person who is not a licensed air
 7-33 conditioning and refrigeration master in the performance of air
 7-34 conditioning and refrigeration maintenance work; or

7-35 (3) work with a person or entity that is not a licensed
 7-36 air conditioning and refrigeration contracting company in the
 7-37 performance of air conditioning and refrigeration maintenance
 7-38 work.

7-39 SECTION 34. Chapter 1302, Occupations Code, is amended by
 7-40 adding Subchapter L to read as follows:

7-41 SUBCHAPTER L. AIR CONDITIONING AND REFRIGERATION TRAINEES

7-42 Sec. 1302.551. LICENSE REQUIRED. (a) A person may not act
 7-43 or offer to act as an air conditioning and refrigeration trainee
 7-44 unless the person is licensed under this subchapter.

7-45 (b) An air conditioning and refrigeration trainee license
 7-46 is valid throughout the state.

7-47 Sec. 1302.552. SUPERVISION REQUIREMENTS FOR TRAINEES. An
 7-48 air conditioning and refrigeration trainee must be supervised by an
 7-49 air conditioning and refrigeration master licensed under this
 7-50 chapter.

7-51 Sec. 1302.553. ELIGIBILITY REQUIREMENTS. (a) An
 7-52 applicant for a license under this subchapter must be at least 18
 7-53 years old.

7-54 (b) Practical experience or an examination is not required
 7-55 for a trainee license.

7-56 Sec. 1302.554. APPLICATION; FEES. (a) An applicant for an
 7-57 air conditioning and refrigeration trainee license must submit an
 7-58 application on a form prescribed by the executive director.

7-59 (b) The completed application must be accompanied by the
 7-60 required fees.

7-61 Sec. 1302.555. ISSUANCE AND TERM OF REGISTRATION. (a) The
 7-62 department shall issue an air conditioning and refrigeration
 7-63 trainee license to an applicant who:

7-64 (1) submits a verified application on a form
 7-65 prescribed by the executive director;

7-66 (2) meets the requirements of this chapter and rules
 7-67 adopted under this chapter; and

7-68 (3) pays the required fees.

7-69 (b) A license issued under this subchapter is valid for one

8-1 year from the date of issuance.

8-2 Sec. 1302.556. TEMPORARY LICENSE. The executive director
8-3 shall issue on request by an applicant a temporary license that
8-4 expires on the 21st day after the date of issuance to an applicant
8-5 who meets the qualifications for a temporary license under
8-6 commission rule.

8-7 Sec. 1302.557. LIMITATIONS ON LICENSE HOLDER. A person
8-8 licensed under this subchapter may not:

8-9 (1) perform, offer to perform, or attempt to perform
8-10 an act that is:

8-11 (A) defined as the practice of engineering under
8-12 Chapter 1001, unless the person holds a license under that chapter;

8-13 (B) regulated under Chapter 113, Natural
8-14 Resources Code, unless the person holds a license under that
8-15 chapter or is exempt by a rule adopted under that chapter; or

8-16 (C) defined as plumbing under Chapter 1301,
8-17 unless the person holds a license under that chapter;

8-18 (2) assist a person who is not a licensed air
8-19 conditioning and refrigeration master in the performance of air
8-20 conditioning and refrigeration maintenance work; or

8-21 (3) work with a person or entity that is not a licensed
8-22 air conditioning and refrigeration contracting company in the
8-23 performance of air conditioning and refrigeration maintenance
8-24 work.

8-25 SECTION 35. Chapter 1302, Occupations Code, is amended by
8-26 adding Subchapter M to read as follows:

8-27 SUBCHAPTER M. AIR CONDITIONING AND REFRIGERATION CONTRACTING
8-28 COMPANY LICENSE REQUIREMENTS

8-29 Sec. 1302.601. LICENSE REQUIRED. (a) A person or entity
8-30 may not operate an air conditioning and refrigeration contracting
8-31 company unless the person or entity holds a contracting company
8-32 license issued under this subchapter or Subchapter G.

8-33 (b) An air conditioning and refrigeration contracting
8-34 company license issued under this subchapter is valid throughout
8-35 the state.

8-36 Sec. 1302.602. REQUIREMENTS FOR AIR CONDITIONING AND
8-37 REFRIGERATION CONTRACTING COMPANY. (a) An air conditioning and
8-38 refrigeration contracting company must employ full-time in each
8-39 permanent office a licensed air conditioning and refrigeration
8-40 master who holds an appropriate license assigned to that
8-41 contracting company.

8-42 (b) An air conditioning and refrigeration contracting
8-43 company may engage in air conditioning and refrigeration
8-44 contracting within the scope of the license of the air conditioning
8-45 and refrigeration master assigned to that contracting company.

8-46 (c) An air conditioning and refrigeration contracting
8-47 company may subcontract a portion of a job that requires another
8-48 professional or occupational license only to a person or entity
8-49 that holds the required license.

8-50 (d) An air conditioning and refrigeration contracting
8-51 company that does not hold a contracting company license or does not
8-52 employ a licensed air conditioning and refrigeration master as
8-53 required by Subsection (a) at the time a contract for air
8-54 conditioning and refrigeration contracting services is signed and
8-55 at the time the services are performed may not collect a fee from a
8-56 customer or otherwise enforce the contract against a customer.

8-57 (e) An air conditioning and refrigeration contracting
8-58 company must maintain insurance at all times as required by the
8-59 commission by rule.

8-60 Sec. 1302.603. APPLICATION; FEE. (a) An applicant for an
8-61 air conditioning and refrigeration contracting company license
8-62 must submit an application on a form prescribed by the executive
8-63 director.

8-64 (b) The completed application must be accompanied by the
8-65 appropriate fees.

8-66 (c) An applicant for an air conditioning and refrigeration
8-67 contracting company license shall provide evidence of insurance
8-68 coverage as required by the commission by rule.

8-69 Sec. 1302.604. ISSUANCE AND TERM OF AIR CONDITIONING AND

9-1 REFRIGERATION CONTRACTING COMPANY LICENSE. (a) The department
9-2 shall issue an air conditioning and refrigeration contracting
9-3 company license to an applicant that:

- 9-4 (1) submits a verified application;
- 9-5 (2) passes the applicable examination;
- 9-6 (3) meets the requirements of this chapter and rules
9-7 adopted under this chapter; and
- 9-8 (4) pays the required fees.

9-9 (b) A license issued under this subchapter expires on the
9-10 first anniversary of the date of issuance.

9-11 Sec. 1302.605. TEMPORARY LICENSE. The commission by rule
9-12 may provide for the issuance of a temporary air conditioning and
9-13 refrigeration contracting company license to an applicant that:

- 9-14 (1) submits to the executive director an application
9-15 on a form prescribed by the executive director; and
- 9-16 (2) pays the required fees.

9-17 Sec. 1302.606. LIMITATIONS ON LICENSE HOLDER. A person or
9-18 entity licensed under this subchapter may not:

9-19 (1) perform, offer to perform, or attempt to perform
9-20 an act that is:

9-21 (A) defined as the practice of engineering under
9-22 Chapter 1001, unless the person holds a license under that chapter;

9-23 (B) regulated under Chapter 113, Natural
9-24 Resources Code, unless the person holds a license under that
9-25 chapter or is exempt by a rule adopted under that chapter; or

9-26 (C) defined as plumbing under Chapter 1301,
9-27 unless the person holds a license under that chapter; or

9-28 (2) use the services of a person who is not a licensed
9-29 air conditioning and refrigeration master, a licensed air
9-30 conditioning and refrigeration technician, or a licensed air
9-31 conditioning and refrigeration trainee to engage in air
9-32 conditioning and refrigeration contracting or air conditioning and
9-33 refrigeration maintenance work.

9-34 SECTION 36. The following sections of the Occupations Code
9-35 are repealed:

- 9-36 (1) Subdivisions (5-b) and (17), Section 1302.002;
- 9-37 (2) Section 1302.062;
- 9-38 (3) Section 1302.106;
- 9-39 (4) Section 1302.209;
- 9-40 (5) Subsections (c) and (d), Section 1302.257;
- 9-41 (6) Section 1302.261;
- 9-42 (7) Section 1302.502;
- 9-43 (8) Section 1302.506;
- 9-44 (9) Section 1302.507; and
- 9-45 (10) Section 1302.508.

9-46 SECTION 37. (a) Not later than February 1, 2012, the Texas
9-47 Commission of Licensing and Regulation shall adopt rules to
9-48 implement Chapter 1302, Occupations Code, as amended by this Act.

9-49 (b) The Texas Commission of Licensing and Regulation shall
9-50 adopt rules to convert and renew an air conditioning and
9-51 refrigeration contractor license issued before March 1, 2012, to an
9-52 air conditioning and refrigeration master license without imposing
9-53 the additional eligibility requirements under Chapter 1302,
9-54 Occupations Code, as amended by this Act.

9-55 (c) The Texas Commission of Licensing and Regulation shall
9-56 adopt rules to convert and renew an air conditioning and
9-57 refrigeration registration or certification issued before March 1,
9-58 2012, to an air conditioning and refrigeration technician license
9-59 without imposing the additional eligibility requirements under
9-60 Chapter 1302, Occupations Code, as amended by this Act.

9-61 (d) Chapter 1302, Occupations Code, as amended by this Act,
9-62 applies only to an application for a license under that chapter
9-63 submitted to the Texas Department of Licensing and Regulation on or
9-64 after March 1, 2012. An application for a license, registration, or
9-65 certification submitted under that chapter before that date is
9-66 governed by the law in effect on the date the application was
9-67 submitted, and the former law is continued in effect for that
9-68 purpose.

9-69 SECTION 38. (a) Except as provided by Subsection (b) of

10-1 this section, this Act takes effect March 1, 2012.

10-2 (b) Section 37 of this Act takes effect September 1, 2011.

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