

BILL ANALYSIS

C.S.S.B. 2250
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Some retail sellers of solar panels are asking buyers to execute a certificate of completion before the installation is complete or working properly. The buyers often do not have the expertise to know the difference, but once they sign the certificate, the buyers may be left responsible for fixing any problems that arise. This can lead to incomplete or faulty installations and leaves consumers without recourse. Additionally, faulty solar panel installations can lead to electrical and thermal issues, increasing the risk of fires. Companies that sell solar panels are not currently required to ensure the installed panels pass the relevant code enforcement inspection. C.S.S.B. 2250 seeks to enhance consumer protection for Texans who purchase solar panels and ensure they receive a product that meets building code standards by entitling such a retail buyer to a deferment of installment if a solar panel installation fails a building code inspection within one year of the execution of the certificate of completion and the buyer notifies the retail seller of the failed inspection. The bill would also void a certificate of completion for the seller's failure to correct the work cited by the failed inspection under certain circumstances.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.B. 2250 amends the Finance Code to entitle a retail buyer who is required by a retail seller of solar panels to execute a certificate of completion to a deferment of installment under the following conditions:

- a solar panel installation purchased under a retail installment contract fails a building code inspection resulting from the installation of the solar panels not later than the first anniversary of the execution of the certificate of completion covering the installation; and
- the retail buyer notifies the retail seller of the failed building code inspection not later than the 30th day after the date of the inspection.

The bill entitles the retail buyer to such a deferment of installment for the period beginning on the date the retail buyer notifies the retail seller of the failed building code inspection and ending on the date the retail seller corrects the work cited by the failed inspection. The bill establishes the following if a retail seller of solar panels does not correct the work cited by the failed building code inspection before the 91st day after the date the retail seller receives the notice from the retail buyer:

- the certificate of completion is void;

- the retail seller is required to exercise reasonable care to remove the solar panel installation and correct any incidental damage to the real property resulting from the installation and removal; and
- the retail buyer is entitled to rescind the retail installment contract and receive a refund of all payments under or in contemplation of the contract.

C.S.S.B. 2250 applies only to a retail installment contract entered into on or after the bill's effective date and establishes that a retail installment contract entered into before that date is governed by the law in effect on the date the contract was entered into, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 2250 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

Whereas the engrossed made a certificate of completion void if a retail seller of solar panels requires a retail buyer to execute the certificate and the covered solar panel installation fails a building code inspection resulting from the installation of the solar panels before the first anniversary of the date the certificate was signed by the retail buyer, the substitute does the following instead:

- entitles a retail buyer who is required by a retail seller of solar panels to execute a certificate of completion to a deferment of installment for a certain period if a solar panel installation purchased under a retail installment contract fails a building code inspection resulting from the installation of the solar panels not later than the first anniversary of the execution of the certificate of completion covering the installation and the retail buyer provides certain notice; and
- makes the certificate of completion void if a retail seller does not correct the work cited by the failed inspection before the 91st day after the date the retail seller receives the notice from the retail buyer.

The substitute also includes provisions absent from the engrossed that establish the following if the seller does not make that correction by that deadline:

- the retail seller is required to exercise reasonable care to remove the solar panel installation and correct any incidental damage to the real property resulting from the installation and removal; and
- the retail buyer is entitled to rescind the retail installment contract and receive a refund of all payments under or in contemplation of the contract.

The substitute includes provisions absent from the engrossed that establish that the bill's provisions apply only to a retail installment contract entered into on or after the bill's effective date and that a retail installment contract entered into before that date is governed by the law in effect on the date the contract was entered into and the former law is continued in effect for that purpose.