

## **BILL ANALYSIS**

C.S.H.B. 3344

By: Curry

Trade, Workforce & Economic Development  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Texas does not currently require a state-issued license for reroofing contractors. The bill author has informed the committee that the absence of this required licensure has led to concerns about inadequate consumer protection and inconsistent service quality. C.S.H.B. 3344 seeks to enhance industry accountability, prevent fraudulent practices, and protect consumers from unqualified contractors by providing for the regulation and licensing of reroofing contractors by the Texas Department of Licensing and Regulation and by establishing an advisory board to provide guidance on reroofing regulations.

### **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 rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 3344 amends the Occupations Code to set out provisions relating to the regulation and licensing of reroofing contractors.

#### **Reroofing Contractor Advisory Board**

C.S.H.B. 3344 establishes the reroofing contractor advisory board and requires the board to advise the Texas Commission of Licensing and Regulation (TCLR) on educational matters, operational matters, and common practices in the reroofing industry. The bill establishes that the advisory board is composed of seven members as follows:

- the following six members appointed by the presiding officer of TCLR with TCLR's approval:
  - four members who are licensed reroofing contractors, defined by the bill as an individual or business entity who holds a reroofing contractor license issued under the bill's provisions and who engages in repairing, recovering, or replacing existing roof coverings on residential or commercial structures or who solicits, advertises, or contracts to repair, recover, or replace existing roof coverings on residential or commercial structures; and
  - two public members; and
- one member who is the administrative head, or the administrative head's designee, of a state agency or office that is selected by TCLR.

The bill establishes that the advisory board members must include two members who are affiliated with a statewide association of reroofing contractors. For the purposes of appointing

the four members who are licensed reroofing contractors, the bill requires the presiding officer of TCLR to consider the geographical diversity of the members. The bill requires appointments to the advisory board to be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointee.

C.S.H.B. 3344 establishes that a person is not eligible for appointment as a public member of the advisory board if the person or the person's spouse:

- is licensed by an occupational regulatory agency in the reroofing or construction industry;
- is employed by or participates in the management of an agency or business entity related to the reroofing or construction industry; or
- has, other than as a consumer, a financial interest in a business entity related to the reroofing or construction industry.

Except as otherwise provided under the bill's provisions, the bill establishes that advisory board members serve terms of two years, with the terms expiring on February 1 of each odd-numbered year, and may not consecutively serve more than two full terms. The bill establishes that the member who is the administrative head, or the administrative head's designee, of a state agency or office that is selected by TCLR is an ex officio member and continues to serve during the time the member holds office. If a vacancy occurs during a term of a member other than that member, the bill requires the presiding officer of TCLR to appoint a replacement who meets the qualifications of the vacated position to serve for the remainder of the term. The bill requires the governor to designate a member of the advisory board as the presiding officer of the board to serve in that capacity at the pleasure of the governor and requires the presiding officer to be a licensed reroofing contractor. The bill establishes that Government Code provisions requiring an advisory committee to select from among its members a presiding officer do not apply to the board.

### **License, Applications, and Database**

C.S.H.B. 3344 prohibits a reroofing contractor from advertising that the company is licensed by the state or using the title "licensed reroofing contractor" unless the contractor holds a reroofing contractor license issued under the bill. The bill requires an applicant for a license to submit an application to the Texas Department of Licensing and Regulation (TDLR) on a form prescribed by the executive director of TDLR and authorizes a person to obtain a license for more than one business entity by applying separately for each entity. The bill requires an application to be accompanied by the following:

- if the applicant is a sole proprietorship that operates under a name other than the sole proprietor's legal name, proof of an assumed name certificate issued by the secretary of state reflecting the business name;
- if the applicant is a business entity, proof of the applicant's existence and confirmation of authority to conduct business in Texas under a certificate of status issued by the secretary of state that is in good standing;
- proof of the mailing address and telephone number of the applicant's residence or business location;
- proof that the applicant satisfies the general liability insurance coverage and surety bond requirements established by TCLR rule; and
- the application fee established by TCLR rule.

The bill requires TDLR to conduct an examination of any criminal conviction of an applicant, including obtaining any criminal history record information permitted by law.

C.S.H.B. 3344 requires TDLR, not later than the 10th day after the date TDLR receives an application, to issue a reroofing contractor license to an applicant who complies with the bill's license requirements. The bill requires an initial issued license to include a unique license number and any renewal of the license to include the number included in the initial issuance of the license. The bill establishes that a license is not assignable or transferrable and is valid for two years from the date of issuance and may be renewed before expiration. To renew a license,

the bill requires a reroofing contractor to submit an application for renewal to TDLR on a form prescribed by TDLR's executive director. The bill requires the renewal application to be accompanied by documentation of any changes in the reroofing contractor's information submitted to the TDLR for the initial license and the renewal fee established by TDLR rule.

C.S.H.B. 3344 requires TDLR to make available on TDLR's website a publicly accessible list of all licensed reroofing contractors who are in good standing that must be searchable by name and location and contain the following information for each licensed reroofing contractor:

- the name, mailing address, and telephone number of the reroofing contractor;
- a summary of any disciplinary action taken by TDLR against the reroofing contractor; and
- any other information required by TDLR.

The bill requires TDLR to verify the license status of a reroofing contractor on request of a county or municipal building official and to establish a verification system to ensure a timely response to such a request.

### **Practice by License Holder**

C.S.H.B. 3344 requires a licensed reroofing contractor to include the contractor's license card as follows in each:

- contract for a reroofing project in the manner specified by the bill; and
- advertisement for a reroofing service by the contractor, including on each business card, flyer, or door card and in each television, radio, social media, or newspaper advertisement.

The bill requires a licensed reroofing contractor, before engaging in a reroofing project, to provide to the property owner a written contract that is signed by the reroofing contractor and the property owner. The bill requires the contract to include the following:

- the reroofing contractor's contact information, including physical address, email address, and telephone number;
- the reroofing contractor's policy regarding cancellation of the contract, which must be consistent with state law;
- the reroofing contractor's license number in at least 12-point bold type in the following form: "Texas Licensed Reroofing Contractor Number (license number)"; and
- TDLR's contact information for complaints directed to TDLR.

The bill defines "reroofing project" as a project to repair, recover, or replace an existing roof covering on a residential or commercial structure.

### **Enforcement**

C.S.H.B. 3344 requires TDLR to investigate any complaint alleging a violation of the bill's provisions or a rule adopted under those provisions and requires such a complaint to be filed in a manner prescribed by TDLR. The bill authorizes TDLR or the executive director of TDLR to impose an administrative penalty on a person if the person violates the following:

- the bill's provisions or a rule adopted under those provisions; or
- an order of TDLR or the executive director.

The bill authorizes TDLR to impose administrative sanctions as provided under statutory provisions relating to penalties and enforcement for license holders under TDLR's jurisdiction. The bill authorizes the attorney general or executive director of TDLR to institute an action for a civil penalty under the bill's provisions as provided under those statutory provisions and caps the amount of a civil penalty assessed at \$500 for each violation.

### **Powers and Duties**

C.S.H.B. 3344 requires TDLR to administer and enforce the bill's provisions. The bill requires TDLR to prescribe by rule the requirements for the issuance and renewal of a reroofing

contractor license and to establish by rule and collect reasonable and necessary fees in amounts not to exceed the total amount sufficient to cover the state's costs of administering the bill's provisions. The bill requires TCLR to adopt the rules, procedures, and fees necessary to administer the bill's provisions not later than April 1, 2026. The bill establishes that TDLR is not required to begin issuing reroofing contractor licenses before June 1, 2026.

### **EFFECTIVE DATE**

September 1, 2025.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 3344 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced set out provisions relating to the regulation and licensing of roofing contractors, the substitute sets out provisions relating to the regulation and licensing of reroofing contractors.

Whereas the introduced established the roofing contractors advisory board and provided for the advisory board's powers, duties, composition, and administration, the substitute instead establishes the reroofing contractor advisory board, provides for its composition and member terms, establishes the eligibility for public board members, and sets out procedures for board vacancies and the designation of a presiding officer. The substitute requires the advisory board to advise TCLR on educational matters, operational matters, and common practices in the reroofing industry, whereas the introduced did not.

Whereas the introduced required TCLR to make available on its website a publicly accessible list of licensed roofing contractors and set out the contents of the list, the substitute requires such a list to be made available by TDLR on its website for licensed reroofing contractors who are in good standing, requires the list to be searchable by name and location, and sets out the content of the list.

The introduced authorized TDLR to obtain criminal history record information for an applicant for or holder of a license under the bill, including a controlling person as defined by the bill, whereas the substitute requires TDLR to conduct an examination of any criminal conviction of an applicant, including obtaining any criminal history record information permitted by law.

With respect to a license application under the bill's provisions:

- the introduced required an applicant to pass an examination adopted by TDLR, whereas the substitute does not; and
- whereas the introduced required TCLR to establish by rule the information required to be included on the application and specified that the rules must require the inclusion of certain information, the substitute requires the application to be accompanied by certain information and proof, as applicable.

Whereas the introduced established that a license under the bill's provisions is valid for one year, the substitute establishes that a license is valid for two years from the date of issuance and may be renewed before expiration. The substitute includes provisions absent from the introduced relating to a unique license number, license renewal, and license verification. Whereas the substitute requires TDLR to issue a license to an applicant who complies with the license requirements of the bill's provisions, the introduced required TDLR to issue a license to an applicant who complies with the license requirements of the bill's provisions and who applies for the license not later than June 1, 2026, and has at least 10 years of experience performing

roofing services. The substitute prohibits a reroofing contractor from advertising that the company is licensed by the state or using the title "licensed reroofing contractor" unless the contractor holds a license issued under the bill's provisions, whereas the introduced prohibited a person from acting or offering to act as a roofing contractor unless the person holds a license issued under the bill's provisions.

The substitute omits provisions of the introduced that did the following:

- provided for certain exemptions to the bill's provisions;
- required the bill to be construed to be in addition to any required licensure of persons in Texas and established that the bill is not intended to conflict with or affect the authority of any state or local agency, board, or department that administers or enforces any law or ordinance or that establishes, administers, or enforces a policy, rule, qualification, or standard for a trade or profession;
- defined "controlling person," "roofing product," and "roofing services";
- established that a license is valid only with respect to the person or company named on the license and authorized the license holder to operate one roofing contractor business for each license; and
- with respect to practice by a license holder, set out provisions relating to the required display of license information, compliance with local requirements, a prohibition against obtaining a license under another name, notification of a change in a contractor's information, and other prohibitions relating to insurance deductibles and conflicts of interest.

The substitute includes provisions absent from the introduced that do the following:

- require TDLR to administer and enforce the bill's provisions;
- require TCLR to prescribe by rule the requirements for the issuance and renewal of a reroofing contractor license and establish by rule and collect reasonable and necessary fees in amounts not to exceed the total amount sufficient to cover the state's costs of administering the bill's provisions;
- define "person," "reroofing contractor," and "reroofing project";
- require a contractor licensed under the bill to disclose the contractor's license number as provided and to provide to a property owner a written contract before engaging in a project; and
- establish that TDLR is not required to begin issuing licenses before June 1, 2026.

With respect to provisions authorizing TCLR or the executive director of TDLR to impose an administrative penalty on a person who violates the bill, a rule adopted under the bill, or an order of TCLR or the executive director, the substitute removes the provision of the introduced allowing TCLR or the executive director to authorize a penalty regardless of whether the person holds a license under the bill's provisions and omits a violation of a rule of TCLR or the executive director, as in the introduced, from the violations that allow the imposition of such a penalty. The introduced created a criminal offense, whereas the substitute instead authorizes the attorney general or executive director of TDLR to institute an action for a civil penalty.

Whereas the introduced required TCLR, TDLR, and the executive director of TDLR, as appropriate, to adopt rules and forms necessary to implement the bill's provisions not later than February 1, 2026, the substitute requires TCLR to adopt the rules, procedures, and fees necessary to administer the bill's provisions not later than April 1, 2026.

The substitute changes the bill's effective date from September 1, 2025, except for certain provisions taking effect September 1, 2026, as in the introduced, to September 1, 2025, applicable to the entirety of the bill.