

BILL ANALYSIS

Senate Research Center

C.S.H.B. 2118
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, in order to install a fire detection system in a residence, a fire alarm technician must have a commercial fire detection installation license. This requirement creates a situation where technicians must take a test covering the *commercial* portion of the law relating to fire detection maintenance, regardless of whether the technician is actually employed in the installation of fire detection systems for commercial use. There is no statewide requirement for one-family or two-family dwellings have the appropriate safety equipment for detecting smoke. Many lives can be saved through the installation of working smoke detector alarms at a minimal cost for the equipment.

C.S.H.B. 2118 distinguishes fire alarm technicians from *residential* fire alarm technicians, thereby allowing the latter to receive training and to be tested to install residential fire detection systems. This bill requires each one-family or two-family dwelling to be equipped with a working smoke detector in accordance with the smoke detector requirements of the building code in effect in the political subdivision in which the dwelling is located. This bill defines fraternity and sorority house and requires smoke detectors to be installed in those buildings as well. This bill modifies the seller's disclosure notice, which the seller must provide to the buyer, and adds smoke detector, smoke detector for hearing impaired person, carbon monoxide alarm, and emergency escape ladders to the checklist. The buyer waives the buyer's rights to have smoke detectors upon signing this notice. This bill requires the Texas Department of Insurance to prepare and distribute information of public interest relating to fire safety and the dangers of carbon monoxide.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the commissioner of insurance is modified in SECTION 7 (Section 6A, Article 5.43-2, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2, Article 5.43-2, Insurance Code, by amending Subdivision (8) and adding Subdivision (17), as follows:

- (8) Redefines "monitoring."
- (17) Defines "residential fire alarm technician."

SECTION 2. Amends Section 3, Article 5.43-2, Insurance Code, by amending Subsection (b) and adding Subsections (d) and (e), as follows:

- (b) Prohibits the licensing provisions of this article from applying to a person who holds a license or other form of permission issued by an incorporated city or town to practice as an electrician and who installs fire or smoke detection and alarm devices in no building other than a single family or multifamily residence if all installations comply with provisions of the adopted edition of National Fire Protection Association Standard No. 72, rather than the Household Fire Warning Equipment National Fire Protection Association Standard No. 74; a person or an organization that provides and installs at no charge to the property owners or residents a battery-powered smoke detector in a single-family or two-family residence if the installation complies with provisions of the adopted edition of National Fire Protection Association Standard No. 72, rather than 74; an

employee, rather than a regular employee, of a registered firm who is under the direct on-site supervision of a licensee; a person employed by a registered firm that sells and installs a smoke or heat detector in a single-family or two-family residence if the installation complies with provisions of the adopted edition of National Fire Protection Association Standard No. 72, rather than 74; and a person or organization licensed to install or service burglar alarms under Chapter 1702 (Private Security), Occupations Code, rather than the Private Investigators and Private Security Agencies Act (Article 4413(29bb), V.T.C.S.), that provides and installs in a single-family or two-family residence a combination keypad that includes a panic button to initiate a fire alarm signal.

(d) Prohibits a political subdivision from requiring a registered firm, a licensee, or an employee of a registered firm to maintain a business location or residency within that political subdivision to engage in a business or perform any activity authorized under this article.

(e) Authorizes a municipality or county by ordinance to require a registered firm to make a telephone call to a monitored property before the firm notifies the municipality or county of an alarm signal received by the firm from a fire detection device.

SECTION 3. Amends Section 5, Article 5.43-2, Insurance Code, by adding Subsection (c-1), as follows:

(c-1) Requires a residential fire alarm technician to obtain a license issued by the board. Prohibits the amount of the initial fee for the license from exceeding \$50, and the amount of the annual license renewal fee from exceeding \$50.

SECTION 4. Amends Sections 5B(e) and (f), Article 5.43-2, Insurance Code, as follows:

(e) Provides that compliance with the insurance requirements of Chapter 1702, Occupations Code, rather than the Private Investigators and Private Security Agencies Act, as amended (Article 4413(29bb), V.T.C.S.), constitutes compliance with the insurance requirements of this section if the insurance held by the person complies with the requirements of this section in amounts and types of coverage for a person who is licensed to install or service burglar alarms under that chapter, rather than that Act.

(f) Makes conforming changes.

SECTION 5. Amends Section 5D, Article 5.43-2, Insurance Code, by adding Subsection (a-2) and amending Subsection (d), as follows:

(a-2) Requires an applicant for a residential fire alarm technician license to provide with the required license application evidence of the applicant's successful completion of the required instruction from a training school approved by the State Fire Marshal in accordance with this section.

(d) Requires the training curriculum for a residential fire alarm technician course to consist of at least eight hours of instruction on installing, servicing, and maintaining single-family and two-family residential fire alarm systems as defined by National Fire Protection Association Standard No. 72. Deletes existing text requiring the training curriculum for a fire alarm technician and a residential fire alarm superintendent course to consist of 16 hours of classroom instruction on all categories of licensure.

SECTION 6. Amends Article 5.43-2, Insurance Code, by adding Section 5G, as follows:

Sec. 5G. CONFIDENTIALITY OF RECORDS. Provides that records maintained by the Texas Department of Insurance (TDI) under this article on the home address, home telephone number, driver's license number, or Social Security number of an applicant or a license or registration holder are confidential and are not subject to mandatory disclosure under Chapter 552 (Public Information), Government Code.

SECTION 7. Amends Section 6A, Article 5.43-2, Insurance Code, by adding Subsection (c), to prohibit the commissioner of insurance (commissioner) from adopting a rule to administer this article that requires a person who holds a license under this article to obtain additional certification that imposes a financial responsibility on the licensee.

SECTION 8. Amends Section 7, Article 5.43-2, Insurance Code, by amending Subsection (b) and adding Subsection (f), as follows:

(b) Prohibits a political subdivision from offering alarm system sales, rather than prohibiting a political subdivision from offering residential alarm system sales. Makes a conforming change.

(f) Authorizes a residential fire alarm technician to only provide direct on-site supervision to an employee of a registered firm for work performed under this article in a single-family or two-family dwelling.

SECTION 9. Amends Sections 9(d) and (e), Article 5.43-2, Insurance Code, as follows:

(d) Provides that no fire detection or fire alarm device may be sold or installed in this state unless it is accompanied by printed information supplied to the owner by the supplier or installing contractor concerning information that will aid in reducing the number of false fire alarms.

(e) Makes a conforming change.

SECTION 10. Amends Subtitle A, Title 9, Health and Safety Code, by adding Chapter 766, as follows:

CHAPTER 766. FIRE SAFETY IN RESIDENTIAL DWELLINGS

Sec. 766.001. DEFINITIONS. Defines "carbon monoxide alarm," "department," "fossil fuel," "one-family or two-family dwelling," "smoke detector," and "smoke detector for hearing-impaired persons."

Sec. 766.002. SMOKE DETECTOR REQUIREMENT. (a) Requires each one-family or two-family dwelling constructed in this state to have working smoke detectors installed in the dwelling in accordance with the smoke detector requirements of the building code in effect in the political subdivision in which the dwelling is located, including performance, location, and power source requirements.

(b) Requires any home improvement to the dwelling that requires the issuance of a building permit to include the installation of smoke detectors in accordance with the building code in effect in the political subdivision in which the dwelling is located, including performance, location, and power source if a one-family or two-family dwelling does not comply with the smoke detector requirements of the building code in effect in the political subdivision in which the dwelling is located.

(c) Requires any smoke detector required under the building code in effect in the political subdivision to be a smoke detector for a hearing-impaired person if a one-family or two-family dwelling is sold to a buyer who is a hearing-impaired person or to a buyer who has a family member who will reside in the dwelling who is a hearing-impaired person.

Sec. 766.0025. FRATERNITY AND SORORITY HOUSES. (a) Defines "fraternity or sorority house."

(b) Requires the owner of the fraternity or sorority house to have working smoke detectors installed in the fraternity house or sorority house in accordance with the smoke detector requirements of the building code in effect in the political

subdivision in which the fraternity or sorority house is located, including performance, location, and power source requirements.

Sec. 766.003. INFORMATION RELATING TO FIRE SAFETY AND CARBON MONOXIDE DANGERS. (a) Requires the Texas Department of Insurance (TDI) to prepare information of public interest relating to fire safety in the home and the dangers of carbon monoxide.

(b) Requires the information to inform the public of certain information relating to smoke detectors and carbon monoxide.

(c) Requires TDI to distribute the information described by this section to the public in any manner TDI determines is cost-effective, including providing the information on TDI's Internet website and publishing information pamphlets.

SECTION 11. Amends Section 5.008(b), Property Code, to require a notice to be executed and to, at a minimum, read substantially similar to a certain format relating to fire safety.

SECTION 12. Amends Subchapter F, Chapter 92, Property Code, by adding Section 92.2571, as follows:

Sec. 92.2571. ALTERNATIVE COMPLIANCE. Provides that a landlord complies with the requirements of this subchapter relating to the provision of smoke detectors in the dwelling unit under certain circumstances.

SECTION 13. Makes application of Section 5.008, Property Code, prospective.

SECTION 14. (a) Requires the commissioner, not later than March 1, 2008, to adopt the rules and forms necessary to implement the changes in law made by this Act to Article 5.43-2, Insurance Code.

(b) Provides that, notwithstanding Article 5.43-2, Insurance Code, a residential fire alarm technician is not required to obtain a license under that article before June 1, 2008.

SECTION 15. Effective date: September 1, 2007.