

## **BILL ANALYSIS**

Senate Research Center  
82R12468 TRH-D

H.B. 1853  
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Business & Commerce  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the state fire marshal is responsible for issuing licenses to individuals who install, inspect, service, or repair fire alarms systems, extinguishers, halon, FM200, CO2, and hood systems and to qualified contractors who engage in the practice of engineering and design. These licenses cover almost every area of fire-related safety. However, no licensing has ever been adopted to address fire sprinkler installation. A primary reason for the lack of licensing was the inability of the two primary groups affected, the Texas Fire Sprinkler Contractors Association and the Southwest Pipe Trades Association, to agree on terms.

H.B. 1853 creates a licensing process for those who install, inspect, service, or repair fire sprinklers and requires at least one individual at each job to be licensed. In addition to establishing these standards, H.B. 1853 also creates terms of continuing education and establishes the costs of licensing.

H.B. 1853 amends current law relating to the licensing and regulation of certain employees of fire protection sprinkler system contractors and provides a penalty.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of the Texas Department of Insurance and the state fire marshal in SECTION 11 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 6003.001, Insurance Code, by amending Subdivisions (1) and (6), and adding Subdivisions (1-a), (2-a), (2-b), and (12), to define "dwelling technician license," "fire protection sprinkler technician," "general technician license," and "underground fire main technician license," and to redefine "license."

SECTION 2. Amends Subchapter A, Chapter 6003, Insurance Code, by adding Section 6003.004, as follows:

Sec. 6003.004. PERSONAL INFORMATION CONFIDENTIAL. Provides that the home address, home telephone number, driver's license number, and social security number of a license holder or an applicant for a license under this chapter are confidential and are not subject to disclosure under Chapter 552 (Public Information), Government Code.

SECTION 3. Amends Section 6003.052(b), Insurance Code, as follows:

(b) Provides that under rules adopted under Section 6003.051(b) (relating to rules issued by the commissioner), the Texas Department of Insurance (TDI):

(1) is authorized to create a specialized licensing or registration program for fire protection sprinkler system contractors; and

(2) is required to create a specialized licensing program for fire protection sprinkler technicians.

SECTION 4. Amends Sections 6003.055(a) and (b), Insurance Code, as follows:

- (a) Requires the commissioner of insurance (commissioner) to set the fee for:
  - (1) a registration certificate application in an amount not to exceed \$100;
  - (2) an initial or renewal registration certificate in an amount not to exceed \$1,200 annually; and
  - (3) an initial or renewal license fee in an amount not to exceed \$200 annually, rather than an initial or renewal responsible managing employee license fee in an amount not to exceed \$200 annually.
- (b) Requires the commissioner, unless the examination for a license is administered by a testing service, rather than unless the examination for a responsible managing employee, to set a nonrefundable fee for each examination in an amount not to exceed \$100.

SECTION 5. Amends Section 6003.156(a), Insurance Code, to require the state fire marshal to develop the examinations required under Section 6003.162 based on the most recent applicable guidelines published by the National Fire Protection Association.

SECTION 6. Amends Section 6003.158(b), Insurance Code, as follows:

- (b) Requires a person who holds a license issued under Section 6003.153 (Responsible Managing Employee: License Required) or 6003.162 to annually complete at least eight hours of continuing education in accordance with commissioner rules. Deletes existing text providing that participation in the continuing education programs is voluntary.

SECTION 7. Amends Section 6003.159, Insurance Code, as follows:

Sec. 6003.159. RECIPROCAL LICENSE. Requires, rather than authorizes, TDI to waive any license requirement for an applicant who holds a license issued by another state if the other state:

- (1) has license requirements substantially equivalent to the license requirements of this state; and
- (2) has a reciprocal license statute that is substantially equivalent to this section for individuals licensed in this state.

SECTION 8. Amends Section 6003.160, Insurance Code, as follows:

Sec. 6003.160. New heading: LICENSE NOT TRANSFERABLE; SINGLE EMPLOYER REQUIRED. (a) Creates this subsection from existing text. Makes no further changes to this subsection.

- (b) Prohibits an individual who holds a license issued under Section 6003.153 or 6003.162:
  - (1) from installing, servicing, or maintaining a fire protection sprinkler system unless the license holder is employed by a fire protection sprinkler system contractor; and
  - (2) from being employed by more than one fire protection sprinkler system contractor at the same time.

SECTION 9. Amends Subchapter D, Chapter 6003, Insurance Code, by adding Sections 6003.161, 6003.162, and 6003.163, as follows:

Sec. 6003.161. FIRE PROTECTION SPRINKLER TECHNICIAN: LICENSE OR SUPERVISION REQUIRED. (a) Prohibits an individual from acting as a fire protection sprinkler technician unless the individual holds a license issued by TDI under Section 6003.153 or 6003.162, or is directly supervised by an individual who holds a license issued by TDI under Section 6003.153 or 6003.162. Authorizes an individual to install, service, or maintain only the type of fire protection sprinkler systems for which the individual's license or the individual's direct supervisor's license has been issued under this chapter.

(b) Prohibits an individual from using the term "licensed fire protection sprinkler technician" in the person's contracts or advertising materials unless the individual holds a license issued under Section 6003.162.

Sec. 6003.162. FIRE PROTECTION SPRINKLER TECHNICIAN LICENSES. (a) Requires TDI to issue a general technician license to an applicant:

(1) who has completed 8,000 hours of an apprenticeship program certified by the United States Department of Labor for the inspection, service, and maintenance of fire protection sprinkler systems;

(2) who has 8,000 hours of experience installing, servicing, or maintaining fire protection sprinkler systems, and passes TDI's general technician license examination; or

(3) who has 6,000 hours of experience installing, servicing, or maintaining fire protection sprinkler systems, and passes the National Institute for Certification in Engineering Technologies, Level II test for inspection and testing of water-based systems.

(b) Requires TDI to issue a dwelling technician license to an applicant who:

(1) has 4,000 hours of experience installing, servicing, or maintaining fire protection sprinkler systems within the scope of a dwelling technician license; and

(2) passes TDI's dwelling technician license examination.

(c) Requires TDI to issue an underground fire main technician license to an applicant who:

(1) has 4,000 hours of experience installing, servicing, or maintaining fire protection sprinkler systems within the scope of an underground fire main technician license; and

(2) passes TDI's underground fire main technician license examination.

(d) Requires a license issued under this section to be conditioned on the successful completion of the applicable license examination and compliance with the requirements of any applicable rules adopted under this chapter.

Sec. 6003.163. PRESENCE OF LICENSE HOLDER REQUIRED. Requires each fire protection sprinkler system contractor to ensure that at least one person who holds a license issued under Section 6003.153 or 6003.162 is present at a location where a fire protection sprinkler system is being installed, maintained, repaired, or tested by an employee of the fire protection sprinkler system contractor.

SECTION 10. Amends Section 6003.301(a), Insurance Code, to provide that a person commits an offense if the person knowingly violates Section 6003.151(a), 6003.153, 6003.161, or 6003.251.

SECTION 11. (a) Requires the commissioner and the state fire marshal, as soon as possible after the effective date of this Act, and not later than September 1, 2012, to adopt the rules and establish the procedures and examination requirements necessary to implement the licensing of fire protection sprinkler technicians under Chapter 6003 (Fire Protection Sprinkler System Service and Installation), Insurance Code, as amended by this Act.

(b) Provides that a fire protection sprinkler technician is not required to hold a license under Section 6003.161, Insurance Code, as added by this Act, before September 1, 2013.

SECTION 12. Requires TDI, notwithstanding Sections 6003.161 and 6003.162, Insurance Code, as added by this Act, to issue a license to a qualified applicant under this section who:

(1) applies for a license under Chapter 6003, Insurance Code, as amended by this Act, not later than September 1, 2013;

(2) submits to TDI the information required by TDI rule;

(3) submits to TDI the job description of the position the applicant most recently performed and a sworn statement by the applicant's employer attesting to the applicant's job description;

(4) has at least the number of hours of experience required by Section 6003.162, Insurance Code, as added by this Act, for the applicable license for which the applicant is applying; and

(5) pays the application and licensing fee.

SECTION 13. Effective date: September 1, 2011.