

- SUBJECT:** Regulating roofing contractors
- COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended
- VOTE:** 9 ayes — Wilson, Kubiak, Goolsby, Haggerty, Hamric, D. Jones, Pickett, Torres, Yarbrough
- 0 nays
- SENATE VOTE:** On final passage, April 9 — voice vote (Barrientos, Bivins, Ellis, Gallegos, Galloway, Lindsay, Nixon, Ogden, Whitmire registering nay)
- WITNESSES:** For — Tysia Bowling and Eddie Harrison, Roofing Contractors Association; Max Eubank; John MacKonzie; Robert Watkins, State Farm Insurance Company
- Against — None
- DIGEST:** CSSB 259 would provide for the regulation and licensing of roofing contractors and prohibit persons from performing roofing contracting without a license. The bill would define roofing contracting as the design, installation, construction, maintenance, service, repair, alteration, or modification of any roofing product or equipment.
- The bill would not apply to several categories of persons and property, including new residential construction of single-family homes, duplexes, or quadplexes; to roofing on agricultural property; or to persons doing roofing for a family member. The bill would not apply to licensed architects or engineers.
- The bill would establish the Roofing Contractors Advisory Board (RCAB) to advise the commissioner of the Department of Licensing and Regulation on the administration of roofing regulation. The RCAB would be composed of six members experienced in roofing contracting. Members would hold office for staggered six-year terms and serve without compensation.

The bill would create three classes of licenses:

- Class I would entitle the licensee to perform commercial and residential roofing services;
- Class II would entitle the licensee to perform only commercial roofing services; and
- Class III would entitle the licensee to perform only residential roofing services.

The commissioner would prescribe separate examinations for each class of license.

A license would be valid for one year from the date of issuance. A license could be granted to a company that had a qualifying party meeting licensing conditions of the bill. If the qualifying party became incapacitated, a temporary license could be issued to another principal of the company.

The bill would require contractors to maintain general liability insurance coverage and furnish evidence of insurance to and post surety bonds with the Texas Department of Licensing and Registration (TDLR). Licensees would be required to complete eight hours of continuing education per license year, under the supervision of the RCAB. They would also have to pass examinations developed by the TDLR and administered by two full-time roofing contractors.

The commissioner could waive any license requirement, except those for insurance and surety bond coverage, for an applicant with a valid license from another state with which Texas has a reciprocity agreement.

An unlicensed roofing contractor could not collect a fee or otherwise enforce a contract for services performed. Any person violating the bill's provisions or failing to provide proper installation consistent with the manufacturer's specifications or commonly accepted roofing practices could be denied a license or have a license suspended or revoked under standard Government Code procedures. Violators also would be guilty of a Class C misdemeanor (maximum penalty of a \$500 fine). The commissioner would investigate consumer complaints regarding violations. Unlicensed persons

could not advertise that they were engaged in the business of roofing contracting.

CSSB 259 would take effect September 1, 1997. Contractors would have to obtain licenses effective September 1, 1998.

**SUPPORTERS  
SAY:**

CSSB 259 would establish minimum standards for roofing contractors and create a state licensing system to protect consumers. Shady contractors often do shoddy or incomplete work, leaving their customers with little recourse or remedy. The state cannot now adequately address these problems as there are no laws or regulations specifically governing the activities of roofing contractors. The bill would allow the licensing commissioner to adopt rules to protect consumers from fraud, misrepresentation, and substandard workmanship, providing much needed protection to Texans who have been victimized by unscrupulous roofing contractors.

Providing for the investigation of consumer complaints, administrative penalties and and the imposition of a Class C misdemeanor for violations of the new standards would ensure their enforcement and provide an extra level of accountability for the state's roofing contractors.

The fees and penalties established by the bill would result in a net positive impact of \$222,872 through August 31, 1999, and about \$1 million annually thereafter.

**OPPONENTS  
SAY:**

CSSB 259 would create another unnecessary bureaucratic process. It would result in mountains of red tape for roofing contractors and siphon off valuable resources at TDLR. Existing statutes on consumer fraud already provide sufficient tools to address any problems that a few bad apples in the roofing contracting business might cause. There has been little outcry for the regulation of roofing contractors, primarily because the need for such regulation does not exist.

CSSB 259 would be harmful to small roofing contractors, who might not be aware of the new licensing requirements or have the administrative capacity to comply with them.

The requirement that roofing contractors carry at minimum \$100,000 worth of insurance would be exceedingly burdensome to individual roofers, who could spend over one third of their profits providing insurance for the equivalent of fixing holes in peoples' roofs. Damage from such activities could not approach \$100,000 per year.

The bill would require that two full-time roofing contractors to serve as test examiners for licensees. This would place roofers in the untenable position of being evaluated by their competition, who might have an incentive to conduct the testing process in a less than honest fashion. Furthermore, the bill does not specify where the examinations would be held; holding them at inconvenient locations would require roofers to expend even more valuable time and expense to comply with the bill's already burdensome restrictions.

CSSB 259 would establish a unrealistic standard for the licensing of roofing companies. Only one individual at each company would have to be licensed, effectively making the impact of the bill far less severe on large companies than on small ones and individual roofers. If the Legislature wishes to apply standards to the maintenance of Texas roofs, it should do so for all people who provide the service, not just for one member of a given company.

**NOTES:**

The committee substitute exempted several groups of people and types of property from the bill's licensing requirements.