

## **BILL ANALYSIS**

C.S.H.B. 2426  
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Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Counties and municipalities are currently prevented from enacting a local regulation requiring municipal or county registration of fire protection sprinkler system contractors, fire detection system contractors, and alarm device installation contractors, but informed observers note that fire extinguisher service and installation contractors are not provided such protection. C.S.H.B. 2426 seeks to address this issue.

### **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.H.B. 2426 amends the Insurance Code to establish that statutory provisions governing fire extinguisher service and installation and the rules adopted under those provisions have uniform force and effect throughout Texas. The bill prohibits a municipality or county from adopting or enforcing an ordinance, order, or rule inconsistent with those statutory provisions or rules and establishes that an inconsistent ordinance, order, or rule is void and has no effect.

C.S.H.B. 2426 authorizes a municipality or county by ordinance or order to require the installation of a fixed fire extinguisher system or portable fire extinguisher in certain facilities if the installation conforms to the applicable laws of the state and to adopt more stringent standards for a fixed fire extinguisher system or portable fire extinguisher or standards that create a safer condition than the standards established under statutory provisions governing fire extinguisher service and installation and the rules adopted under those provisions.

C.S.H.B. 2426 prohibits a municipality, county, or other political subdivision of the state from requiring, as a condition of engaging in business or performing any activity authorized under statutory provisions governing fire extinguisher service and installation, that a registered firm or license holder under those statutory provisions or an employee of a license holder obtain a registration, franchise, or license, pay any fee or franchise tax, or post a bond. The bill authorizes a municipality or county by ordinance or order to require a registered firm to obtain a permit and pay a permit fee for the installation of a fixed fire extinguisher system and to require that the installation of such a fixed fire extinguisher system be in conformance with the building code or other construction requirements of the municipality or county and state law. The bill prohibits a municipality or county from imposing qualification or financial responsibility requirements other than proof of a registration certificate and prohibits a political subdivision from requiring a

registered firm, a license holder, 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 statutory provisions governing fire extinguisher service and installation.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2426 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. Subchapter A, Chapter 6001, Insurance Code, is amended by adding Section 6001.003 to read as follows:

Sec. 6001.003. EFFECT ON LOCAL REGULATION. This chapter and the rules adopted under this chapter have uniform force and effect throughout this state. A municipality or county may not adopt or enforce an ordinance, order, or rule inconsistent with this chapter or rules adopted under this chapter. An inconsistent ordinance, order, or rule is void and has no effect.

No equivalent provision.

No equivalent provision.

#### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter A, Chapter 6001, Insurance Code, is amended by adding Section 6001.003 to read as follows:

Sec. 6001.003. EFFECT ON LOCAL REGULATION. (a) This chapter and the rules adopted under this chapter have uniform force and effect throughout this state. A municipality or county may not adopt or enforce an ordinance, order, or rule inconsistent with this chapter or rules adopted under this chapter. An inconsistent ordinance, order, or rule is void and has no effect.

(b) Notwithstanding Subsection (a), a municipality or county may by ordinance or order:

(1) require the installation of a fixed fire extinguisher system or portable fire extinguisher in certain facilities if the installation conforms to the applicable laws of this state; and

(2) adopt more stringent standards for a fixed fire extinguisher system or portable fire extinguisher or standards that create a safer condition than the standards established under this chapter and the rules adopted under this chapter.

(c) A municipality, county, or other political subdivision of this state may not require, as a condition of engaging in business or performing any activity authorized under this chapter, that a registered firm, a license holder, or an employee of a license holder:

(1) obtain a registration, franchise, or license;

- (2) pay any fee or franchise tax; or
- (3) post a bond.

No equivalent provision.

(d) Notwithstanding any other provision of this section or Section 6001.156, a municipality or county may by ordinance or order require a registered firm to obtain a permit and pay a permit fee for the installation of a fixed fire extinguisher system and require that the installation of such a fixed fire extinguisher system be in conformance with the building code or other construction requirements of the municipality or county and the laws of this state.

No equivalent provision.

(e) Notwithstanding Subsection (d), a municipality or county may not impose qualification or financial responsibility requirements other than proof of a registration certificate.

No equivalent provision.

(f) A political subdivision may not require a registered firm, a license holder, 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 chapter.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

SECTION 2. Same as introduced version.