

SUBJECT: Requiring a report from TDEM on building trade services after a disaster

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 8 ayes — T. King, Geren, Guillen, Harless, Hernandez, Kuempel, Paddie, S. Thompson

0 nays

3 absent — Goldman, Herrero, K. King

WITNESSES: For — (*Registered, but did not testify:* Corbin Barnsdale, AGC-Texas Building Branch; Alicia Dover, Associated Plumbing-Heating-Cooling Contractors of Texas; Clifford Sparks, City of Dallas; Cyrus Reed, Lone Star Chapter Sierra Club; Leonard Aguilar, Southwest Pipe Trades Association; Kyle Jackson, Texas Apartment Association; Ronnie Smitherman, Texas Building Trades Council)

Against — None

On — (*Registered, but did not testify:* Mike Arismendez, Texas Department of Licensing and Regulation)

BACKGROUND: Some have noted that after natural disasters it can be difficult for property owners to find qualified tradespeople to rebuild damaged homes and that some property owners in such situations have been taken advantage of by fraudulent contractors.

DIGEST: HB 1873 would require the Texas Division of Emergency Management by November 1, 2020, to submit a report to the Legislature on improving the oversight, accountability, and availability of building trade services after a disaster.

The report would include:

- strategies to increase the availability of tradespeople following a disaster;
- approaches to increase prosecutions of alleged fraud related to building trade services offered following a disaster; and
- methods to encourage performance bond requirements in contracts for trade services to be performed following a disaster.

The division would be required to consult with appropriate state entities, including the Texas A&M AgriLife Extension Service and the Texas Department of Licensing and Regulation, local governments, trade associations, and law enforcement groups in preparing the report.

The bill's provisions would expire January 1, 2021.

The bill would take effect September 1, 2019.