

BILL ANALYSIS

Senate Research Center

C.S.H.B. 1372
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

During evaluations of losses resulting from a windstorm in first tier coastal counties, certain buildings have been found to be not in compliance with construction guidelines for those areas. The faulty design or construction of these structures results in losses that are higher than expected creating an undue burden for insurers, the Texas Windstorm Insurance Association, and Texas citizens living and working in those areas.

Currently, permits are required to be submitted to ensure that each permit is based on an original design as required.

H.B. 1372 requires copies of all computations developed in conjunction with professional engineering services to be submitted to the Texas Department of Insurance (TDI) and that such information be maintained by TDI. The bill provides that failure by an engineer to comply with certain provisions of this Act constitutes grounds for disciplinary action.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 2210.0041, Insurance Code) of this bill.

Rulemaking authority is expressly granted to the Texas Board of Professional Engineers in SECTION 1 (Section 2210.0041, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 2210, Insurance Code, by adding Section 2210.0041, as follows:

Sec. 2210.0041. ENGINEERING COMPUTATIONS. (a) Provides that this section applies to an engineer who provides professional engineering services regarding the construction, modification, or repair of a single-family residential structure that is located in a first tier coastal county and for which an application for insurance coverage through the association has been submitted.

(b) Requires an engineer to submit copies, in a format that is acceptable to the Texas Department of Insurance (TDI), of all computations developed in conjunction with the professional engineering services described by Subsection (a) to TDI in the manner prescribed by commissioner of insurance (commissioner) rule.

(c) Requires TDI to maintain the information submitted to TDI under Subsection (b) until the expiration of the limitations period under Section 16.008 (Architects, Engineers, Interior Designers, and Landscape Architects Furnishing Design, Planning, or Inspection of Construction of Improvements), Civil Practice and Remedies Code.

(d) Requires the Texas Board of Professional Engineers (board) to cooperate with TDI in the implementation and enforcement of this section. Requires the board to adopt rules and post information on the board's Internet website as necessary to inform engineers licensed in this state of the requirements of this section.

(e) Provides that failure by an engineer to comply with Subsection (b) constitutes grounds for disciplinary action under Subchapter J (Prohibited Practices And Disciplinary Procedures), Chapter 1001, Occupations Code.

SECTION 2. Provides that an engineer is not required to comply with Section 2210.0041, Insurance Code, as added by this Act, until January 1, 2008.

SECTION 3. Requires the commissioner and the board to adopt rules and post information as required by Section 2210.0041, Insurance Code, as added by this Act, not later than December 1, 2007.

SECTION 4. Effective date: September 1, 2007.