

BILL ANALYSIS

Senate Research Center

H.B. 2118
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, in order to install a fire detection system in a residence, a fire alarm technician must have a commercial fire detection installation license. This requirement creates a situation where technicians must take a test covering the *commercial* portion of the law relating to fire detection maintenance, regardless of whether the technician is actually employed in the installation of fire detection systems for commercial use. There is no statewide requirement for one-family or two-family dwellings have the appropriate safety equipment for detecting smoke. Many lives can be saved through the installation of working smoke detector alarms at a minimal cost for the equipment.

H.B. 2118 would distinguish fire alarm technicians from *residential* fire alarm technician, thereby allowing the latter to receive training and to be tested to install residential fire detection systems. This bill requires each one-family or two-family dwelling that begins construction on or after January 1, 2008, to be equipped with a working smoke detector. This bill also requires each one-family or two-family dwelling, where there is a transfer of ownership, to be equipped with a working smoke detector.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the commissioner of insurance is modified in SECTION 7 (Section 6A, Article 5.43-2, Insurance Code) of this bill.

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 10 (Section 766.004, Health and Safety Code) and SECTION 11 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2, Article 5.43-2, Insurance Code, by amending Subdivision (8) and adding Subdivision (17), as follows:

- (8) Redefines "monitoring."
- (17) Defines "residential fire alarm technician."

SECTION 2. Amends Section 3, Article 5.43-2, Insurance Code, by amending Subsection (b) and adding Subsections (d) and (e), as follows:

- (b) Prohibits the licensing provisions of this article from applying to a person who holds a license or other form of permission issued by an incorporated city or town to practice as an electrician and who installs fire or smoke detection and alarm devices in no building other than a single family or multifamily residence if all installations comply with provisions of the adopted edition of National Fire Protection Association Standard No. 72, rather than the Household Fire Warning Equipment National Fire Protection Association Standard No. 74; a person or an organization that provides and installs at no charge to the property owners or residents a battery-powered smoke detector in a single-family or two-family residence if the installation complies with provisions of the adopted edition of National Fire Protection Association Standard No. 72, rather than 74; an employee, rather than a regular employee, of a registered firm who is under the direct on-site supervision of a licensee; a person employed by a registered firm that sells and installs a smoke or heat detector in a single-family or two-family residence if the

installation complies with provisions of the adopted edition of National Fire Protection Association Standard No. 72, rather than 74; and a person or organization licensed to install or service burglar alarms under Chapter 1702 (Private Security), Occupations Code, rather than the Private Investigators and Private Security Agencies Act (Article 4413(29bb), V.T.C.S.), that provides and installs in a single-family or two-family residence a combination keypad that includes a panic button to initiate a fire alarm signal.

(d) Prohibits a political subdivision from requiring a registered firm, a licensee, 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 article.

(e) Authorizes a municipality or county by ordinance to require a registered firm to make a telephone call to a monitored property before the firm notifies the municipality or county of an alarm signal received by the firm from a fire detection device.

SECTION 3. Amends Section 5, Article 5.43-2, Insurance Code, by adding Subsection (c-1), as follows:

(c-1) Requires a residential fire alarm technician to obtain a license issued by the board. Prohibits the amount of the initial fee for the license from exceeding \$50, and the amount of the annual license renewal fee from exceeding \$50.

SECTION 4. Amends Sections 5B(e) and (f), Article 5.43-2, Insurance Code, as follows:

(e) Provides that compliance with the insurance requirements of Chapter 1702, Occupations Code, rather than the Private Investigators and Private Security Agencies Act, as amended (Article 4413(29bb), V.T.C.S.), constitutes compliance with the insurance requirements of this section if the insurance held by the person complies with the requirements of this section in amounts and types of coverage for a person who is licensed to install or service burglar alarms under that chapter, rather than that Act.

(f) Makes conforming changes.

SECTION 5. Amends Section 5D, Article 5.43-2, Insurance Code, by adding Subsection (a-2) and amending Subsection (d), as follows:

(a-2) Requires an applicant for a residential fire alarm technician license to provide with the required license application evidence of the applicant's successful completion of the required instruction from a training school approved by the State Fire Marshal in accordance with this section.

(d) Requires the training curriculum for a residential fire alarm technician course to consist of at least eight hours of instruction on installing, servicing, and maintaining single-family and two-family residential fire alarm systems as defined by National Fire Protection Association Standard No. 72. Deletes existing text requiring the training curriculum for a fire alarm technician and a residential fire alarm superintendent course to consist of 16 hours of classroom instruction on all categories of licensure.

SECTION 6. Amends Article 5.43-2, Insurance Code, by adding Section 5G, as follows:

Sec. 5G. CONFIDENTIALITY OF RECORDS. Provides that records maintained by the Texas Department of Insurance (TDI) under this article on the home address, home telephone number, driver's license number, or Social Security number of an applicant or a license or registration holder are confidential and are not subject to mandatory disclosure under Chapter 552 (Public Information), Government Code.

SECTION 7. Amends Section 6A, Article 5.43-2, Insurance Code, by adding Subsection (c), to prohibit the commissioner of insurance (commissioner) from adopting a rule to administer this article that requires a person who holds a license under this article to obtain additional certification that imposes a financial responsibility on the licensee.

SECTION 8. Amends Section 7, Article 5.43-2, Insurance Code, by amending Subsection (b) and adding Subsection (f), as follows:

(b) Prohibits a political subdivision from offering alarm system sales, rather than prohibiting a political subdivision from offering residential alarm system sales. Makes a conforming change.

(f) Authorizes a residential fire alarm technician to only provide direct on-site supervision to an employee of a registered firm for work performed under this article in a single-family or two-family dwelling.

SECTION 9. Amends Sections 9(d) and (e), Article 5.43-2, Insurance Code, as follows:

(d) Provides that no fire detection or fire alarm device may be sold or installed in this state unless it is accompanied by printed information supplied to the owner by the supplier or installing contractor concerning information that will aid in reducing the number of false fire alarms.

(e) Makes a conforming change.

SECTION 10. Amends Subtitle A, Title 9, Health and Safety Code, by adding Chapter 766, as follows:

CHAPTER 766. SMOKE DETECTORS IN CERTAIN RESIDENTIAL DWELLINGS

Sec. 766.001. DEFINITIONS. Defines "one-family or two-family dwelling" and "smoke detector."

Sec. 766.002. RESPONSIBILITY OF TITLE INSURANCE OR CLOSING AGENT. Provides that a title insurance agent or other closing agent involved in the transfer of title to a one-family or two-family dwelling is not, on sale or transfer of the dwelling, responsible for verifying that the seller has complied with the requirements of this chapter, or ensuring that the dwelling complies with the requirements of this chapter.

Sec. 766.003. SMOKE DETECTOR REQUIRED. (a) Requires each one-family or two-family dwelling to have a working smoke detector installed in the dwelling in accordance with Subsection (b) if construction on the dwelling commences on or after January 1, 2008. Requires there to be a working smoke detector installed in the dwelling in accordance with Subsection (b) before the owner of the dwelling is authorized to sell or otherwise transfer ownership of the dwelling to another person, if the dwelling is constructed before January 1, 2008.

(b) Requires a smoke detector to be installed in accordance with the requirements of Sections 92.254 (Smoke Detector), 92.255 (Installation and Location in New Construction), and 92.257 (Installation Procedure), Property Code.

(c) Authorizes a residential fire alarm technician as defined by Section 2, Article 5.43-2, Insurance Code, to install, service, inspect, or certify a smoke detector required under this section.

Sec. 766.004. RULES. (a) Requires the commissioner to adopt rules requiring each one-family or two-family dwelling the construction of which commences on or after January 1, 2008, to be equipped with a smoke detector, and each one-family or two-family dwelling the ownership of which is sold or transferred on or after January 1, 2008, to be equipped with a smoke detector.

(b) Requires the rules adopted under Subsection (a) to prescribe requirements relating to the placement, installation, maintenance, and number of smoke detectors required in a one-family or two-family dwelling.

SECTION 11. (a) Requires the commissioner, not later than March 1, 2008, to adopt the rules and forms necessary to implement the changes in law made by this Act to Article 5.43-2, Insurance Code.

(b) Provides that, notwithstanding Article 5.43-2, Insurance Code, a residential fire alarm technician is not required to obtain a license under that article before June 1, 2008.

SECTION 12. Requires the commissioner to adopt rules under Section 766.004, Health and Safety Code, as added by this Act, not later than December 1, 2007.

SECTION 13. Effective date: September 1, 2007.