

BILL ANALYSIS

Senate Research Center
87R3742 JCG-D

H.B. 871
By: Morrison; Gates (Kolkhorst)
Local Government
4/30/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Purpose

H.B. 871 explicitly prohibits municipalities from charging heating, ventilation, air conditioning, and refrigeration (HVAC/R) contractors a registration fee. It also explicitly states that permit fees are not prohibited. The language in H.B. 871 mirrors the language in the electricians' section of the Occupations Code which prohibits the registration fees being imposed on them.

Background

Prior to the enactment of a statewide license for HVAC/R contractors, each municipality issued its own license. After the statewide license went into effect, municipalities began charging contractors a registration fee to do business within the city limits, which replaced the cities' revenue from the former license fee. In metropolitan areas, HVAC/R contractors report paying multiple municipal registration fees which can total thousands of dollars. Plumbers and electricians prohibited municipal registration fees for their licensees in previous legislative sessions.

In 2017, Rep. Frullo passed H.B. 3029, which in part deleted the section of the Occupations Code that enabled municipalities to collect this registration fee from HVAC/R contractors. However, not one municipality has ceased charging HVAC/R contractors the registration fee. The total dollar amount of municipal registration fees paid by HVAC/R contractors can equal many times the cost of the statewide license fee paid to Texas Department of Licensing and Regulation.

Key Provisions

- Prohibits municipalities from charging a registration fee to licensed air conditioning and refrigeration contractors.

H.B. 871 amends current law relating to the municipal fees charged to certain air conditioning and refrigeration contractors.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter G, Chapter 1302, Occupations Code, by adding Section 1302.304, as follows:

Sec. 1302.304. MUNICIPAL FEES. (a) Prohibits a municipality from charging a registration fee to a person who holds a license issued under Subchapter F (Air

Conditioning and Refrigeration Contractors) for work performed in the municipality or for notice provided under Section 1302.262 (Notice to Municipalities).

(b) Provides that this section does not prohibit a municipality from charging a building permit fee.

SECTION 2. Effective date: September 1, 2021.