

SUBJECT: Exemption from air conditioning and refrigeration licensing

COMMITTEE: Licensing and Administrative Procedures — committee substitute recommended

VOTE: 8 ayes — Wilson, Kubiak, Dear, Goolsby, D. Jones, Pickett, Torres, Yarbrough

0 nays

1 absent — Brimer

SENATE VOTE: On final passage, February 16 — voice vote

WITNESSES: None

BACKGROUND: The Texas Department of Licensing and Regulation regulates and licenses air conditioning contractors under VACS art. 8861, the Air Conditioning and Refrigeration Contractor License Act.

DIGEST: CSSB 266 would amend the Air Conditioning and Refrigeration Contractor License Act to exempt from its application persons who perform diagnostic tests, maintenance, modifications, repair, replacement, removal, or installation of process cooling or heating systems integrated in the manufacturing or production operations of an industrial facility, plant, or factory.

The bill would also exempt retail or wholesale dealers of liquefied petroleum gas who perform air conditioning and refrigeration if licensed by the Railroad Commission under Chapter 113 of the Natural Resources Code.

The bill would take effect September 1, 1995.

SUPPORTERS SAY: CSSB 226 would appropriately treat people working on heating and cooling systems in homes differently from the people working on heating and cooling equipment in refineries, chemical plants or electric generating

stations. As the law stands now, both have to be licensed to perform contract work.

The law already recognizes the difference between the two types of work by allowing specialized process heating and cooling industrial workers an exemption if directly employed by the industrial business. However, many of the large petrochemical businesses and other businesses would find it more cost effective to be able to contract out for this specialized work.

The exemption should be extended to specialized process heating and cooling workers who contract out their services to large industrial plants. The air conditioning licensing law was intended to protect occupied building owners, such as homeowners, from incompetent air conditioning installers and repairers. The owners of the large industrial plants were not intended to be protected by the law, and in fact, only the owners are in the best position to select qualified process heating and cooling workers suited to the particular work.

The present licensing requirements do not require knowledge of fractionation towers, reactor vessels, steam turbines, gasoline piping or high temperature hydrocarbon reactor vessels found in specialized process plants. Many times the contractors that work in process plants do not even require knowledge of the process. The contractors are craftsmen skilled in heavy equipment lifting, welding of exotic metals and large piping, or repair of specialized pumps and valves. The whole process is actually overseen and orchestrated by the owner and the managers who are highly trained engineers or physicists.

Because of the liability involved in large industrial operations, the owners would have a great interest in selecting the people most qualified for the job, licensed or not. This bill would allow large industrial plants that flexibility, without any risk that the license exemption would endanger the public.

**OPPONENTS
SAY:**

CSSB 226 might have the unintended result of exempting more people than appropriate because neither "manufacturing" or "industrial" is defined. A person contracting to a small business might somehow qualify for the exemption based on a loose definition of those provisions.

NOTES:

The Senate-passed version extended the exemption to the performance of process heating and cooling work on the premises of an industrial operation to which the general public is not routinely granted access, and defined an "industrial operation."