

**SUBJECT:** Requiring registration of wall and ceiling contractors

**COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended

**VOTE:** 6 ayes — Wilson, Yarbrough, Flores, Goolsby, J. Moreno, A. Reyna  
0 nays  
3 absent — Haggerty, D. Jones, Palmer

**WITNESSES:** For —Patrick J. Boyd, Texas State Wall and Ceiling Association; Rigo Flores  
Against —David Kettler, Patrick Riordan, Austin Association of Remodeling Contractors

**BACKGROUND:** The wall and ceiling industry encompasses such crafts as drywall, lath and plaster, stucco, ceilings and acoustics, exterior insulation finish systems, fireproofing, metal framing, and architectural decorative ornamentation.

**DIGEST:** CSHB 1023 would require wall and ceiling contractors to register with the Texas Department of Licensing and Regulation to receive certification every two years. After March 1, 2000, a person would be prohibited from bidding on, or accepting, contracts to provide and install light-gauge framing, drywall, or acoustical ceilings unless registered. This bill would not apply to contractors working on a single family, duplex, triplex, or quadruplex residential home.

Wall and ceiling contractors would have to file detailed, notarized applications, pay an application and registration fee, provide proof of workers' compensation insurance and liability coverage, and show evidence of financial responsibility. The bill would provide a certificate renewal process. The licensing and regulation commissioner could issue a written reprimand or place on probation a person whose registration had been suspended. Certificates could be reissued for good cause.

The commissioner could impose an administrative penalty, or suspend or revoke a person's certificate of registration if the contractor:

- ! provided false information on an application;
- ! wilfully disregarded or violated the law or department rule;
- ! wilfully aided or abetted another person in a violation;
- ! has been convicted of a crime that consisted mainly of a misstatement, fraud, dishonesty, or a felony; or
- ! engaged in dishonorable or unethical conduct intended to deceive, defraud, or harm the public.

This bill would require the department and the commissioner to adopt rules to implement these provisions no later than December 1, 1999. Except as otherwise stated, this bill would take effect September 1, 1999.

**SUPPORTERS  
SAY:**

No method now exists to identify wall and ceiling contractors involved in the construction of multi-family and commercial projects. Some contractors do not pay their employees standard wages or provide benefits. Requiring wall and ceiling contractors to register with the Texas Licensing and Regulation Department (TLED) would help the department track safety problems and protect workers.

Legitimate contractors who provide good, reliable service must compete with contractors who do not abide by safety standards in order to cut costs. This bill would be good for the wall and ceiling industry because only legitimate contractors would be registered by the state. Establishing state regulation would notify the public which contractors in the industry are responsible and abide by state standards.

Very few general contractors do their own dry wall and ceiling work. Most hire subcontractors. General contractors would benefit from this bill because the subcontractors would have to be registered.

**OPPONENTS  
SAY:**

It would be a mistake to exempt contractors who work on residential homes from the provisions of CSHB 1023. There is a growing problem with some unscrupulous contractors who take advantage of homeowners, especially after a natural disaster.

CSHB 1023 would not prevent unregistered contractors from working in Texas because there is no enforceable penalty. The bill would only add more layers of bureaucracy to hamper legitimate contractors.

HB 1023  
House Research Organization  
page 3

The committee substitute weakened the penalty for working as a contractor without a certificate or for violating provisions of the law regulating contractors. An administrative penalty would not be sufficient punishment or deterrent for unethical contractors.

OTHER  
OPPONENTS  
SAY:

CSHB 1023 would cause an undue burden on general contractors in the construction industry. Under this bill, general remodeling or construction contractors perform jobs that are classified as 15 separate trades. Three of those trades already are regulated and require registration. This bill would require general contractors to register as a wall and ceiling contractor as well. All general construction contractors should be required to register with the department and follow standard regulation that encompasses all trades they perform.

NOTES:

In the original bill, a violation would have been a class C misdemeanor punishable by a maximum fine of \$500.