

SUBJECT: Changing the definition of air conditioning and refrigeration contracting

COMMITTEE: Licensing and Administrative Procedures — committee substitute recommended

VOTE: 9 ayes — Smith, Kuempel, Geren, Gooden, Guillen, Gutierrez, Miles, Price, S.Thompson

0 nays

WITNESSES: For — Michael Jewell, AT&T; Vikrant Reddy, Texas Public Policy Foundation (*Registered, but did not testify*: Jon Fisher, Associated Builders and Contractors of Texas; Frank Lacey, Comverge, Inc.; Annie Mahoney, Texas Conservative Coalition; Colin Meehan, Environmental Defense Fund; Dan Shelley, Plumbing Heating Cooling Contractors)

Against — Mike Creamer; Todd McAlister, Texas Air Conditioning Contractors Association; (*Registered, but did not testify*: Dan Shelley, Plumbing Heating Cooling Contractors)

On — (*Registered, but did not testify*: William Kuntz, Texas Department of Licensing and Regulation)

BACKGROUND: Occupations Code, ch. 1302 regulates and licenses air conditioning and refrigeration contractors.

DIGEST: CSHB 2294 would specify that the definition of “air conditioning and refrigeration contracting” in Occupations Code, sec. 1302.002(2) did not include the installation, repair, replacement, or modification of a thermostat or other temperature control interface.

The bill would take effect September 1, 2013.

SUPPORTERS SAY: CSHB 2294 would pave the way for companies offering smart home installation services to connect home thermostats with a remotely accessible control system without needing a licensed air conditioning and refrigeration contractor to do the work. Smart home systems help reduce energy use and bills by enabling consumers to change the settings on their thermostats and other household appliances using their smart phones or

other electronic communication devices.

Current law can be interpreted to mean that someone who installs and works on thermostats is required to hold an air conditioning and refrigeration contracting license. The bill would amend the Occupations Code to specify that thermostat installation was not included under this definition, making it clear that companies offering smart home services could send a single technician to change the thermostat and make associated changes in a home, rather than also requiring an air conditioning and refrigeration contractor to change the thermostat. This would lower the price of these smart home systems and shorten the installation period, making the services more attractive to consumers.

Obtaining an air conditioning and refrigeration contracting license is an onerous process requiring many months of practice and passing an exam. Therefore, requiring smart home technicians to have a license before connecting a thermostat to a smart home system is impractical.

**OPPONENTS
SAY:**

Thermostats are complicated pieces of machinery intimately connected to the rest of the air conditioning or refrigeration unit. Changing the thermostat without a full understanding of the entire system could cause serious damage costing many thousands of dollars, resulting in serious discomfort for the homeowner and possibly voiding the warranty of the air conditioning unit. The bill at least should indemnify homeowners who used the services of a smart home installation technician if the air conditioning or refrigeration unit sustained damage in the course of installation.

The bill also should define the term “temperature control interface,” which can mean anything from a simple mechanical wall attachment to a complicated digital device.