

BILL ANALYSIS

Senate Research Center

C.S.S.B. 259
By: Moncrief
State Affairs
3-16-97
Committee Report (Substituted)

DIGEST

Currently, Texas has no system of regulating the roofing industry. In May 1995, hail storms inflicted damage to an estimated 100,000 roofs in north Texas. Many consumers in need of new roofs or roofing repair employed roofers who could not be held responsible for ineffective work. S.B. 259 seeks to regulate roofing contractors by allowing only licensed roofing contracting companies to perform residential or commercial roofing contracting in Texas.

PURPOSE

As proposed, C.S.S.B. 259 outlines provisions and provides penalties regarding regulation of roofing contractors.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the commissioner of licensing and regulation in SECTIONS 3(a), 6(g), and 15(b) and to a municipality in SECTION 17, Roofing Contractors Licensing Law, of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. SHORT TITLE: ROOFING CONTRACTORS LICENSING LAW.

SECTION 2. DEFINITIONS. Defines "advisory board," "commercial roofing," "commission," "commissioner," "mechanical integrity," "person," "qualifying party," "residential roofing," "roofing contracting," "roofing contracting company," and "company."

SECTION 3. POWERS AND DUTIES OF COMMISSIONER. Sets forth the powers and duties allocated to the commissioner of licensing and regulation (commissioner) and the Texas Commission of Licensing and Regulation (commission).

SECTION 4. ADVISORY BOARD. Sets forth requirements for the creation of the Roofing Contractors Advisory Board (advisory board).

SECTION 5. LICENSE REQUIRED. Prohibits a person or company from performing roofing contracting without a license unless the person is exempt under Section 14 of this Act. Requires a roofing contracting company that is not exempt to employ a license holder whose license is assigned to that company. Authorizes a representative of the commission or a municipal official to issue a citation to a person who performs roofing contracting without a license. Provides that a license is valid throughout this state and the holder and persons under the holder's supervision are not required to hold a municipal license to practice roofing contracting in any municipality within this state.

SECTION 6. ROOFING CONTRACTOR LICENSES. Requires the roofing contracting company to be the license holder and to comply with all the requirements of this Act, with a principal of the company being the qualifying party meeting all the requirements of this Act. Sets forth the classes of roofing contractor licenses and the services the licensee is entitled to perform. Requires the commissioner to prescribe separate examinations for each class of licenses and prescribe separate examinations for commercial and residential services for Class I licenses. Requires the qualifying party applying for a roofing contractor license to be at least 18 years old and present to the

commissioner satisfactory evidence of at least 36 months of practical experience in the preceding five years. Sets forth requirements for the creation of an application and sets forth the information to be accompanied by an application. Sets forth requirements for a company to which the commissioner is required to issue a roofing contractor license. Provides that an applicant who fails an examination is eligible for reexamination. Provides that a license issued is valid for a one-year period from the date of issuance. Requires the commissioner to adopt rules relating to the use, display, and advertisement of a licensee's license with the advice of the advisory board.

SECTION 7. NOTICE OF EXAMINATION RESULTS. Sets forth the requirements for notice of examination results.

SECTION 8. INSURANCE REQUIREMENT. Sets forth the monetary amounts in which a licensed contractor is required to maintain general liability insurance coverage. Requires insurance to be obtained from an admitted company or an eligible surplus lines insurer, as defined in Article 1.14-2, Insurance Code. Sets forth requirements for the certificate of insurance a license applicant or holder is required to furnish to the commission. Requires a license holder whose proof of insurance expires to be notified by the commission that the holder has an insurance violation. Requires failure to provide the required proof to be grounds for revocation of the license in accordance with Article 9100, V.T.C.S. Sets forth monetary amounts in which a surety bond is required to be posted with the commission by each licensee.

SECTION 9. CONTINUING EDUCATION PROGRAMS. Sets forth requirements for the establishment of continuing education programs. Requires each licensee to be required to complete eight hours of continuing education per license year.

SECTION 10. LICENSE BY RECIPROCITY. Authorizes the commissioner to waive any license requirement for an applicant or qualifying party of an applicant with a valid license from another state with which this state has a reciprocity agreement.

SECTION 11. TEMPORARY LICENSE. Sets forth requirements for the issuance of a temporary license.

SECTION 12. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE. Sets forth instances in which a license may be denied suspended, or revoked. Provides that proceedings for the denial, suspension, or revocation of a license and appeals from those proceedings are governed by Chapter 2001, Government Code. Provides that the imposition of administrative penalties is governed by Article 9100, V.T.C.S.

SECTION 13. CONSUMER COMPLAINT INVESTIGATION. Requires the commissioner to prepare information of consumer interest describing the functions performed by the commissioner and the rights of consumers. Requires the information to describe the procedure by which a consumer complaint is filed with and resolved by the commissioner. Requires the commissioner to make the information available to the general public. Requires the commissioner to investigate consumer complaints filed with the commissioner. Authorizes the commissioner to take appropriate action under Section 12 of this Act if the commissioner determines after investigation that a licensee has violated this Act or rule adopted under this Act.

SECTION 14. EXEMPTIONS. Sets forth the entities which are exempt from this Act. Makes nonsubstantive changes.

SECTION 15. ENFORCEMENT OF CONTRACTS. Outlines provisions and requirements for the enforcement of contracts for the performance of roofing contracting. Requires the commissioner to adopt rules relating to the manner in which proof may be presented under this section.

SECTION 16. OFFENSE; PENALTY. Provides that a person commits a Class B misdemeanor if the person knowingly or intentionally engages in roofing contracting without a license, except as provided in Section 17 of this Act.

SECTION 17. MUNICIPAL REGULATION. Outlines provisions for the regulation by municipalities.

SECTION 18. EXEMPTION FROM EXAMINATION FOR CERTIFIED CONTRACTORS. Sets forth instances in which a certified roofing contractor is exempt from examination requirements. Sets forth license classifications required for specific contractors. Provides that a roofing contractor who is issued a license under this section is subject to other provisions of this Act, including provisions for the renewal of the roofing contractor license.

SECTION 19. TERMS OF INITIAL BOARD MEMBERS. Sets forth the terms of initial advisory board members.

SECTION 20. (a) Effective date: September 1, 1997,

(b) Effective date for Sections 5 and 6: September 1, 1998.

SECTION 21. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

Amends SECTION 2, to redefine "commercial roofing."

Amends SECTION 5(c), to delete text regarding jurisdiction of a municipal court.

Amends SECTION 6(c), to delete text regarding requirements for a qualifying party that applies for a roofing contractor license.

Amends SECTION 14(a), by adding an entity which is exempt from this Act.