

BILL ANALYSIS

Senate Research Center
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S.B. 677
By: Jackson
Economic Development
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As Filed

DIGEST

Currently, an advisory committee established under the Insurance Code makes recommendations to the commissioner of insurance on changes to the coastal building code. On September 1, 1998, a new coastal building code, approved by the Texas Department of Insurance, went into effect. Some builders have encountered difficulty with the requirements and technical challenges of the new code. The current advisory committee, consisting of sixteen members, sets no time line or procedure for establishing and recommending changes to the building code. Although proposed changes to the building code would still have to be approved through the existing rule-making process, a replacement committee--consisting of builders, insurers, and public members--would address procedures for possible changes to the code and would make recommendations to the commissioner. S.B. 677 would replace the current advisory committee with the Advisory Committee on Building Code Specifications and Maintenance

PURPOSE

As proposed, S.B. 677 establishes for the commissioner of insurance the Advisory Committee on Building Code Specifications and Maintenance.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 21.49, Insurance Code, by adding Section 6C, as follows:

Sec. 6C. ADVISORY COMMITTEE ON BUILDING CODE SPECIFICATIONS AND MAINTENANCE. Defines "advisory committee." Establishes the Windstorm Building Code Advisory Committee on Specifications and Maintenance (committee) as an advisory committee to the commissioner of insurance (commissioner) to advise and make recommendations to the commissioner on building code specifications and maintenance regarding the plan of operation. The committee is composed of nine members appointed by the commissioner without certain discriminations, and the commissioner or a representative as an ex-officio, nonvoting member. Sets forth composition of the committee. Sets forth guidelines for terms of office for the members and meeting procedures for the committee. Establishes duties of the committee regarding building code changes adopted by the commissioner in the plan of operation, with a consideration of technological developments in building products and research, and requires the committee to balance the concerns of affected parties. Authorizes a person to submit to the committee and commissioner a proposal for changing building code specifications. Requires each proposal to be submitted separately and sets forth criteria for the proposal. Requires the commissioner to adopt, by rule, a form to be used for presenting the proposal. Establishes guidelines for the submission and consideration of the proposal. Authorizes any interested person to present the person's views, at certain committee meetings, on a proposal for a change in a building code specification, and submit modifications to the proposal from the floor. Sets forth guidelines for the committee to approve, disapprove, or suspend the proposal. Requires the committee to submit each approved by the committee proposals to the commissioner. Authorizes the commissioner to adopt, by rule, a proposal by amending the plan of operation and, in amending the plan, adoption on a specification by reference. Requires the commissioner to notify, within a certain amount of time the committee of the acceptance or rejection of an approved proposal.

SECTION 2. Repealer: Section 6A(f), Article 21.49, Insurance Code, Valuation of investment in a

subsidiary or affiliate.

SECTION 3. (a) Effective date: Upon passage, except for SECTION 2 which takes effect September 1, 1999.

(b) Abolishes the committee established under Section 6a(f), Article 21.49, Insurance Code, effective August 31, 1999.

(c) Requires the members of the committee created under Section 6C, Article 21.49, Insurance Code, to be appointed by September 1, 1999.

SECTION 4. Emergency clause.