

BILL ANALYSIS

Senate Research Center
78R9517 MXM-F

H.B. 1329
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Business & Commerce
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Engrossed

DIGEST AND PURPOSE

Commercial pesticide applicators must carry general liability insurance with an additional endorsement to cover property under their "care, custody, or control." The same liability insurance requirements apply to both wood treaters and pesticide applicators even though their business practices differ. Insurance companies are not willing to provide "care, custody, or control" coverage to wood treaters because, unlike other pesticide applicators, wood treaters service their own products as well as the products of others. As a result, insurance companies do not know how to price the "care, custody, or control" product for wood treaters. H.B. 1329 removes the requirement for a "care, custody, or control" endorsement from wood treaters' general liability policies. The bill also allows for additional alternatives to insurance such as a bond, certificate of deposit, or other acceptable proof for both pesticide applicators and wood treaters.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Section 1951.312, Occupations Code, to read as follows:

Sec. 1951.312. LIABILITY INSURANCE; EXCEPTIONS.

SECTION 2. Amends Section 1951.312, Occupations Code, by amending Subsections (a) and (b) and adding Subsection (e), as follows:

- (a) Prohibits the Texas Structural Pest Control Board (TSPCB) from issuing or renewing a structural pest control business license until the license applicant meets certain requirements.
- (b) Requires a structural pest control business license holder to at all times maintain the insurance policy or contract or the security described by Subsection (a)(3) in the amount approved by TSPCB. Provides that failure to renew the policy or contract or maintain it or the security in the required amount is a ground for suspension or revocation of the license and a violation of this section.
- (e) Requires an applicant who files proof under Subsection (a)(3) to designate a third party not affiliated with the applicant to handle the processing of damage claims regarding that security.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2003.