

Building Trade Services  
for  
Property Owners  
Working Group  
Recommendations to the Texas Legislature

September 2020

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# Overview

**This section provides an overview of the Building Trade Services for Property Owners Working Group (BTSWG)**

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## Goal

To develop recommendations to the Legislature regarding improving/enhancing the availability, oversight, and accountability of building trade services following disasters.

## Concept Objectives

- Develop strategies to increase the availability of tradespeople, including plumbers and electricians, following a disaster
- Develop approaches to increase prosecutions of alleged fraud related to building trade services offered following a disaster
- Develop methods to encourage performance bond requirements in commercial construction contracts for building trade services to be performed following a disaster

## Audience

- State Agencies
- Local jurisdictions
- Trade Services Associations and Councils
- Trade Unions
- Workforce Commissions and Boards
- Universities, Colleges, Technical, and Trade Schools
- Economic Development Organizations

# Executive Summary

This section provides a summary of the Building Trade Services Working Group history, mission statement, and supporting legislation.

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## Mission and Outcomes

Pursuant to HB 2320 from the 86<sup>th</sup> Legislature, this workgroup was charged with developing recommendations to the Legislature regarding improving/enhancing the availability, oversight and accountability of building trade services following disasters.

The workgroup consisted of representatives of workforce development boards across the state as well as members of higher education institutions and law enforcement. HB 2320 specifically seeks:

- strategies to increase the availability of tradespeople, including plumbers and electricians, following a disaster;
- approaches to increase prosecutions of alleged fraud related to building trade services offered following a disaster; and
- methods to encourage performance bond requirements in contracts for building trade services to be performed following a disaster.

You can access a copy of the bill at the following web address:

<https://capitol.texas.gov/BillLookup/Text.aspx?LegSess=86R&Bill=HB2320>

## Desired Outcomes:

1. Identify a methodology for use by the working group in addressing the development and completion of recommendations to the legislature.
2. Develop and refine a timeline for creation and submission of a report with the above recommendations.
3. Submissions of a report to the legislature not later than November 1, 2020 with the recommendations addressing the issues identified in HB 2320.

## Summary

The workgroup was created in response to legislative action resulting from recommendations in the Governor's Commission to Rebuild Texas, "*The Eye of the Storm*" report. ([www.RebuildTexas.Today/EyeoftheStorm](http://www.RebuildTexas.Today/EyeoftheStorm)). The report included forty-four wide-ranging recommendations aimed at helping Texas better prepare for future catastrophic storms in the wake of Hurricane Harvey.

December 13, 2018

**Commission To Rebuild Texas Offers Post-Harvey Recommendations To Legislature**



- 178 pages, five chapters, 44 recommendations
  - Wide-ranging recommendations to help Texas better prepare for future catastrophic storms in the wake of Hurricane Harvey
  - A&M University System extensive resources dedicated to recovery process
  - Report Contributors include: A&M System, TAMU, TAMU-Galveston, TDEM, TEEEX, AgriLife Extension, TFS, Veterinary Medicine, Rice University, and the private sector
  - Recommendations offered in the report will require the cooperation of Congress and the federal government
- The report recommended prioritizing more than 4,000 potential projects and establishing a study committee to evaluate and propose options for a state-local partnership to help future-proof Texas against flood events on a watershed basis.

During the initial workgroup meeting, it was generally agreed that the preferred way forward was to form subgroups to address two broad categories of trade services, licensed and unlicensed trade skills. For both licensed and unlicensed trade skills, the subgroups addressed (1) strategies to increase the availability of tradespeople, including plumbers and electricians, following a disaster; (2) approaches to increase prosecutions of alleged fraud related to building trade services offered following a disaster; and (3) methods to encourage performance bond requirements in commercial construction contracts for building trade services to be performed following a disaster. The trade services to be addressed by the licensed and unlicensed subgroups are listed below.

- Licensed services:
  - Plumbers
  - Electricians
  - Mold Assessors and Remediators
  - Asbestos and Lead Remediators (contact DSHS)
  - Structural engineers (Structural Engineering Emergency Response (SEER))
  - Professional Engineers
  - HVAC Air Condition/Refrigeration
  - Boiler Inspectors
- Unlicensed services:
  - Carpenters
  - Bricklayers
  - General Contractor
  - General Handyman
  - Debris Removal
  - Welders – certificate
  - Roofers

The summary below extracted from the Governor’s Commission to Rebuild Texas report, “The Eye of the Storm” ([www.RebuildTexas.Today/EyeoftheStorm](http://www.RebuildTexas.Today/EyeoftheStorm)), Chapter 6, pp 78-79, lays out the issues this working group was charged to address.

### **CHALLENGES FOR PROPERTY OWNERS**

Hurricane Harvey damaged or destroyed more than 200,000 structures. As the process of recovery began, many homeowners faced daunting challenges to rebuilding.

### *WORKER SHORTAGES*

Many homeowners found themselves managing a construction project they didn't want with little experience in how to proceed. Finding and vetting builders, construction managers and tradespeople is challenging at any time, but after Hurricane Harvey the availability of these professionals was severely limited. Harvey exacerbated an existing shortage of some building trades, particularly plumbers and electricians. In response, the Texas Department of Licensing and Regulation (TDLR) expedited the licensing of out-of-state tradespeople with a simple, inexpensive registration process. TDLR also had reciprocal licensing agreements with other states already in place.

The Texas Association of Builders launched a Builders to Trades website that matches workers with builders in Texas; the site already had 15,000 tradespeople registered. Longer-term efforts are under way by trade associations, the Governor's Office, the Texas Education Agency and the Texas Higher Education Coordinating Board to increase the building trades workforce in Texas.

Another challenge that hampered rebuilding was a lack of sufficient housing for workers, due to damaged structures and the need to shelter survivors. Some workers were driving into the disaster area each day from as far away as San Antonio. Getting workers back to work in their own communities quickly is important; if they can't return to work soon after a storm, they may feel forced to move elsewhere.

### *PRICE GOUGING*

Price gouging was another issue, it proved to be such a significant problem early in the response phase to Harvey that Governor Abbott issued a proclamation on September 1, 2017, emphasizing that "Texas law prohibits price gouging and gives the attorney general the authority to prosecute anyone throughout Texas who takes advantage of a declared disaster by charging an exorbitant or excessive price for fuel, food, medicine, or any other necessity." The proclamation noted that such violations can be investigated and prosecuted by the Attorney General anywhere throughout the state.

### *SCAMS*

Property owners also faced the risk of fraud by people posing as skilled professionals to take advantage of their desperation. One common scam involved demanding pay in advance and then not showing up to do the work. Imposters sometimes posed as skilled professionals. Homeowners often were rushed into contracts, tempted by special offers or discounts for signing a contract quickly.

The Building Trade Services for Property Owners Workgroup was formed and tasked with identifying recommendations to address the issues above to help ensure that Texas homeowners do not have to face these or other such challenges in future disasters.

# BTSWG Stakeholders

**This section provides the Building Trade Services Working Group participants.**

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Blinn College - Technical Education & Community	Jay Anderson
Texas A&M REELLIS Campus	James Nelson
Texas A&M Engineering	Cindy Lawley
Texas A&M Engineering Extension Service	Hank Lawson
Texas A&M Engineering Extension Service	Ron Peddy
Texas A&M Engineering Extension Service	Mark Posada
Texas Association of Builders	J. D. Hale
Texas Association of Community Colleges	Dustin Meader
Texas Carpenters & Millwrights Training Trust Fund	Paul Jones
Texas Department of Licensing & Regulation	Yvonne Feinleib
Texas Department of Licensing & Regulation	Jerry Daniel
Texas Department of Licensing & Regulation	Doug Jennings
Texas Department of Licensing & Regulation	William Weatherly
Texas Division of Emergency Management	Mac Stephenson
Texas Division of Emergency Management	John Kelley
Texas State Board of Plumbing Examiners	Lisa Hill
Southwest Pipe Trades Association	Leonard Aguilar
Texas Workforce Commission	Kerry Ballast
United Association Union - Plumbers	Brian Peabody
Workforce Solutions Gulf Coast	Michael Temple

# Timeline

The timeline of working group activities is below.

Identify agencies/entities needed or identified in statute to be included and Build Project Timeline	November 1, 2019
Identify specific members of task force/work group to be invited	November 8, 2019
Initial Meeting	December 11, 2019
Subgroup Meeting/Conference Call	January 2020
Subgroup Meeting/Conference Call	February 2020
Initial Work Group Work Product Due	February 28, 2020
Draft Document developed including all recommendations	March 12, 2020
Draft completed	May 1, 2020
Draft Presented at Texas Emergency Management Conference (TEMAC) in San Antonio	May 18-21, 2020
Final Draft for Review by working group/local officials committee	July 29, 2020
Final Draft for Review within TDEM	September 7, 2020
Final Draft submitted to Chief Kidd for approval	September 14, 2020
Due Date for submission of report/plan (notional)	September 25, 2020



# Legislative Charges

Below are the charges to the Building Trade Services for Property Owners Working Group as outlined in HB 2320.

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## Charge 1

The Texas Division of Emergency Management shall submit a report to members of the legislature no later than November 1, 2020, on improving the oversight, accountability, and availability of building trade services following disasters. The report must include:

## Charge 2

Strategies to increase the availability of tradespeople, including plumbers and electricians, following a disaster;

## Charge 3

Approaches to increase prosecutions of alleged fraud related to building trade services offered following a disaster; and

## Charge 4

Methods to encourage performance bond requirements in contracts for building trade services to be performed following a disaster.

## Charge 5

The division shall consult with the Texas Department of Licensing and Regulation and any other state agencies selected by the division, local governments, trade associations, and law enforcement groups in preparing the report described in Charge 1.

# Building Trade Services Recommendations

This section provides the Building Trade Services for Property Owners Working Group members' recommendations.

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## A. Licensed Trades Subgroup Recommendations

### 1. General Recommendations for Licensed Trades

#### Strategies to increase the availability of tradespeople, including plumbers and electricians, following a disaster:

- Ensure that all licensing boards and agencies have statutory authority to implement standardized rules for 180 day emergency licensure of tradespeople and contractors. To be eligible, these tradespeople and contractors would need to either take an online state licensing exam; or be licensed in good standing and have passed a licensing exam at the state level from states whose laws are substantially equivalent to those in Texas. This would require a Texas agency to determine ahead of time which states have substantially equivalent laws. If a licensing agency does not have an online version of their written exam, they would need to develop one.
- The state should establish a rapid process for submission and preapproval of licensure reciprocity with other states and create a database where this information is available.
- The state should work with Texas industries operating large plants with needed skills outside the disaster zone to facilitate making those individuals available to help recover in the event of an emergency in the state. The state would use a “tiger team” approach. If not licensed, individuals might need to obtain an apprentice license or registration.
- Develop procedures to enable local tradespeople to stay in the area and work on disaster recovery by:
  1. Establishing a fund to offer no interest loans to replace vehicles and equipment
  2. Prioritizing emergency housing for tradespeople and their families
  3. Identifying factors in recent disasters and what barriers local tradespeople experienced to remaining to serve their communities in recovery
- Work with high school and community college programs and help to establish more programs; ensure that they are offered frequently enough; and encourage more students to participate in Career Technical Education (CTE) programs.
- Establish statewide programs to encourage individuals to enter the trades, including public-private partnerships.
- Work with disability groups to build programs.

- Ensure veterans’ access to licensure, including education.
- Long Term Solution: Increase financial support for students pursuing a trade program, and for Department of Labor registered apprenticeship programs, community colleges, and career focused guidance counselors in secondary public schools, including scholarships for credit-free programs.
- Short Term Solutions:
  1. Utilize the Texas.gov online platform to connect homeowners to licensed tradespeople and publish the availability through multiple sources.
  2. Develop agreements among local, county and state authorities to expedite permitting, including online document submission and shared resources.
  3. Pre-Disaster, require state agencies to engage/partner with local media outlets to make the public aware of what to look for when hiring a tradesperson.

**Approaches to increase prosecutions of alleged fraud related to building trade services offered following a disaster:**

- The state should engage in outreach to the public after a disaster informing them to be wary of potential scams (see [How to Avoid Home Improvement Scams](#) at the Texas Attorney General’s website, and the Texas Association of Builders’ Consumer Information webpage at <https://www.texasbuilders.org/about-us/consumer-information.html>, for example), and providing information on remedies and complaint procedures.
- Mandatory minimum \$10,000 penalties for unlicensed fraud in a disaster zone.
- Mandatory license revocation for fraud by a licensed tradesperson in a declared disaster area.
- Create and fund a new team at the Texas Attorney General’s office to focus on building trade fraud. Instruct them to build a network of licensing agency contacts to access agency expertise. Require licensing boards and agencies to refer enforcement cases for prosecution under Deceptive Trade Practices Act and criminal laws. Use announcements on [Next Door](#) and other social media in disaster areas that include a number to call the team to report fraud, and to educate homeowners not to pay cash up front.
- Mandatory referral to AG Team by licensing authority for criminal prosecution.
- Empower consumers to make good choices so that fewer people will be able to commit fraud, by developing an acronym and placing it on disaster related products that are handed out early in the response (e.g. coffee cups) such as “L.O.V.E. Your Home” – Licensed Workers, Open to Payment After Completion, Verified Insurance, Excellent References.
- Require licensing agencies to perform spot checks of tradespeople during reconstruction.
- Establish a trades rally point at the disaster to coordinate emergency licenses, sweeps, fraud, & consumer information in coordination with ERT. Have funded resources to do this. Agency staff (such as a representative and field rep(s) from the Texas State Board of Plumbers Examiners) should join the

emergency response team and travel to the affected areas to set up a temporary field office.

- The state should create a disaster “toolbox” to be provided to local municipalities and governmental entities (see Appendix 1).
- Within the disaster “toolbox” or resource list create a live feed document based on the average Consumer Price Index of building materials and/or services. If not a live document a static document that shows current FY standard pricing for materials and services to allow homeowners to see what standard or at least a ballpark on what normal prices should look like.

**Methods to encourage performance bond requirements in commercial construction contracts for building trade services to be performed following a disaster:**

- Mandate by state law that a contractor license bond or performance bond is required for issuance of a permit for non-residential work performed in the disaster area. Umbrella bonds, including contractor license bonds, are preferred due to being cheap and easy to get, and no burden to entry. It should be noted that unlike commercial construction, performance bonds are not an available product in residential construction.
- Create a state registry of licensed commercial contractors who have bonds in place for disaster work.

2. A. Plumbers

**Strategies to increase the availability of plumbers:**

- Provide funding mechanisms for free exams to upgrade licenses in disaster area to ensure apprentices can become journeymen and supervise.
- Add additional testing resources in the affected areas if necessary, to reduce time away from the area for testing.
- Allow former licensees to reinstate/late renew their expired licenses without retest within 5 years during a disaster.

2. B. Electricians

**Strategies to increase the availability of electricians:**

- Provide funding mechanisms for free exams to upgrade licenses in disaster area to ensure apprentices can become journeymen and supervise

2. C. Professional Engineers

**Strategies to increase the availability of professional engineers:**

- Professional engineers licensed in other states (that have a reciprocity agreement with Texas) by examination who hold an active license can offer engineering services in Texas in their area of expertise

in declared disaster zones for a period of 180 days following declaration of the disaster. The engineer offering engineering services in this context is required to notify the State Board of Professional Engineers that services will be offered.

- Engineering firms licensed in other states (that have a reciprocity agreement with Texas) can offer engineering services in Texas in their area of expertise in declared disaster zones for a period of 180 days following declaration of the disaster. The firm offering engineering services in this context is required to notify the State Board of Professional Engineers that services will be offered.
- The State Board of Professional Engineers will establish a presence in the disaster zone to help individuals obtain engineering services.

**Approaches to increase prosecutions of alleged fraud related to building trade services offered following a disaster:**

- A professional engineer or firm found to be guilty of fraudulent practice under (a) or (b) will have a mandatory minimum fine of \$10,000 and potentially be subject to criminal prosecution. Notice of the finding of fraud also will be sent to the individual's or firm's home licensing board.
- Non-licensed engineers or individuals offering engineering services will be referred to the State Board of Professional Engineers for adjudication. Notice of final decision will be sent to the persons home State, if not from Texas.
- If a non-licensed engineer or individual is found to be guilty of fraudulent practice in offering engineering services, he or she will have a mandatory minimum fine of \$10,000 and potentially be subject to criminal prosecution. Notice of the finding of fraud will also be sent to the individual's home licensing board. This is in addition to the adjudication.
- The State Board of Professional Engineers will perform spot checks of individuals offering engineering services in declared disaster zones to verify compliance.

2. D. HVAC Air Conditioning/Refrigeration

**Strategies to increase the availability of HVAC Air Conditioning /Refrigeration trade services:**

- Provide funding mechanisms for free exams to upgrade licenses in disaster area to ensure technicians can become contractors and supervise

3. Additional Recommendations

- When colleges award students National Center for Construction Education & Research (NCCER) or other industry-recognized trade credentials or Associate of Applied Science (AAS) degrees, these students should be placed into a statewide database to create a pool of qualified tradespeople which may be drawn upon in an emergency.
- Involve local bar associations in aiding consumers related to alleged fraud, including what documents/evidence will be needed to prosecute.

- Work with county/district attorney associations to develop a list of laws currently in place to prosecute scam contractors, including Ch. 58, Texas Business and Commerce Code (prohibiting, among other things, upfront full or partial payments to certain contractors in disaster areas) and Ch. 162, Texas Property Code (protection of property owner construction funds).
- Work with county/district attorney associations to identify any loopholes in current statutes that make prosecuting scam contractors more difficult.

## **B. Unlicensed Trades Subgroup Recommendations**

General Recommendations for Unlicensed Trades

### **1. Strategies to increase the availability of tradespeople following a disaster:**

Long Term Solutions:

- Increase funding for: trade schools and career focused guidance counselors in secondary public schools.
- Increase Public-Private Partnerships.

Short Term:

- Utilize Databases of post-secondary education institutions and workforce boards to contact tradespeople to make them aware of business opportunities/shortages during disasters.
- Utilize online platforms to connect homeowners to tradespeople.
- Local (municipal) permitting offices partner with local and state trade associations.
- Engage/Partner with local media outlets to make the public aware of what to look for when hiring a tradesperson.
- Anything we can do to be more proactive.
- Create a registry for disaster approved contractors (i.e. OSHA Disaster Site Training) and within that registry provide information of the top BBB recommended contractors.
- Encourage municipalities to remove permitting fees and expedite approval process.
- Provide incentives for trades services-possibly a debt forgiveness program for those who provide disaster response to lower socioeconomic areas; as an example, if the individual created student/program/trade debt while seeking trade/program license, then by participating in (X program) a portion of, or potentially all of the debt could be forgiven.

### **2. Approaches to increase prosecutions of alleged fraud related to building trade services offered following a disaster:**

- Work with county/district attorney associations to develop a list of laws currently in place to prosecute scam contractors, including Ch. 58, Texas Business and Commerce Code (prohibiting, among other things, upfront full or partial payments to certain contractors in disaster areas) and Ch. 162, Texas Property Code (protection of property owner construction funds).
- Work with county/district attorney associations to identify any loopholes in current statutes that make prosecuting scam contractors more difficult.
- Encourage county/district attorney associations to educate their members on laws (i.e. Deceptive Trade Practices Act), and increased awareness of potential offenders during times of disaster.
- The state should create a disaster “toolbox” to be provided to local municipalities and governmental entities. Incorporate the bullet points from above as pieces of the “toolbox” (*see Appendix 1: Rebuild with Confidence from Texas Assn. of Builders for inclusion in “tool box.”*).
- Engage/Partner with local media outlets to make the public aware of the law/tips to avoid being scammed by contractors (*The main idea is to avoid people getting ripped off. Education and enforcing the law will help fix this.*).
- Legislation that requires non-exempt disaster remediators under Ch. 58, Texas Business and Commerce Code to register locally during declared disasters. (the larger the disaster, the more out of town contractors).
- Expand state resources to include additional law enforcement and prosecutors to assist local governmental entities in going after scam contractors.

### **3. Methods to encourage performance bond requirements in commercial construction contracts for building trade services to be performed following a disaster:**

- Performance Bonds are not an available product in residential construction.
- One of the concerns is where cash is taken up front before any work is completed. We should be doing everything we can to encourage/educate homeowners to not pay cash up front, including educating the public about Ch. 58, Texas Business and Commerce Code (prohibiting, among other things, upfront full or partial payments to certain contractors in disaster areas).
- Bonds could create barriers and cost increases to things getting fixed. We need to ensure that creating a burdensome requirement doesn't create a barrier to entry.
- Registration of non-exempt disaster remediators under Ch. 58, Texas Business and Commerce Code during declared disasters, as mentioned above would ease concerns of performance bond review.

# Appendix 1: Rebuild with Confidence Guide and Resource List

Below is recommended information for inclusion in a property owners toolbox for acquiring services in the aftermath of a disaster.



313 E. 12<sup>th</sup> St., Ste. 210, Austin, TX 78701 ■ (800) 252-3625 ■ (512) 476-6346 ■ [www.TexasBuilders.org](http://www.TexasBuilders.org)

## FOR IMMEDIATE RELEASE

October 21, 2019

### FOR INFORMATION, CONTACT:

Debbie Davis, Director of Communications & Marketing  
(512) 476-6346 | [Debbie@TexasBuilders.org](mailto:Debbie@TexasBuilders.org)

## Rebuild with Confidence.

**AUSTIN, TEXAS** – On behalf of the building and remodeling industry in Texas, the members of the Texas Association of Builders want to express their heartfelt sympathies to anyone affected by the north Texas tornadoes. Our association stands ready to assist our neighbors as we work to rebuild the homes and communities that have been damaged or destroyed.

As you begin to assess the damage to your home and property, we would like to help you make an informed decision regarding your contractor choice. Before you hire a contractor, we strongly encourage you to do your homework to ensure that you are hiring a reputable, qualified individual or company to help you rebuild your home or business. Here are a few important guidelines to help you select a competent builder or remodeler:

- Make sure the contractor has a permanent business location and a good reputation with a local bank and suppliers.
- Find out how long they have been in the building business. You want to know that your contractor will be around after construction is complete to fulfill any warranty obligations.
- Check with your local Better Business Bureau to learn if any complaints have been filed against your contractor.
- Some Texas cities require that builders are registered and bonded. Check with your city's building permits department in this regard.
- Ask for and verify references.
- Enter into a complete and clearly written contract with your builder or remodeler.
- Do not pay for the entire job up front or pay in cash. In fact, state law prohibits contractors in disaster areas from taking up front money unless they have held a physical business address in the county or adjacent county for at least one year. This law, found in Chapter 58 of the Texas Business and Commerce Code, provides other valuable protections for those rebuilding in disaster areas.
- Be cautious of unusually low-priced bids or a hard-sell to "sign today" for a low price.
- Visit the online resources available to you at <http://www.texasbuilders.org/about-us/consumer-information.html>.

We also want to remind you that some recovery-related expenses are exempt from state and local taxes. Please keep these in mind as you review any bills or invoices that you receive from your contractor:

- Texas never imposes sales tax on labor for residential repairs.
- In a declared disaster area, purchasers may claim an exemption from sales tax on separately stated charges for labor to repair or restore nonresidential real property damaged by the disaster. The materials that are used to perform the repairs are taxable.
- Taxpayers may claim an exemption from sales tax on charges for labor to repair or restore items damaged by a disaster. The exemption may be claimed on labor to repair furniture, appliances, or other items of tangible personal property. The exemption includes labor costs to launder or dry clean damaged clothes or other property.





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313 E. 12<sup>th</sup> St., Ste. 210, Austin, TX 78701 ■ (800) 252-3625 ■ (512) 476-6346 ■ [www.TexasBuilders.org](http://www.TexasBuilders.org)

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- Arborists' services, such as cutting down or cutting up a damaged or dead tree in a declared disaster area, are not taxable.
- Hauling away branches, limbs, or trees are waste removal services and are taxable.
- Goods and taxable services may be purchased tax free with FEMA, Salvation Army or Red Cross debit cards or vouchers.

TAB remains committed to providing support, information and resources to the citizens and home building industry affected by the recent hurricane. As you begin to repair your home, make sure your contractor is an experienced professional.

**RESOURCES FOR DISASTER RECOVERY:**

- Texas Association of Builders | <http://www.texasbuilders.org/about-us/consumer-information.html>
- Disaster Assistance | <https://www.disasterassistance.gov/>
- TWIA (Texas Wind Insurance Association) | (512) 899-4900 | <https://www.twia.org/>
- National Association of Home Builders Disaster Recovery Resources | <https://www.nahb.org/en/consumers/homeownership/disaster-recovery-resources.aspx>
- National Association of Home Builders Disaster Recovery Websites | <https://www.nahb.org/en/consumers/homeownership/homeownership-articles/disaster-recovery-websites.aspx>
- Office of Governor Greg Abbott | <https://gov.texas.gov/>
- Texas Division of Emergency Management | <https://tdem.texas.gov>
- American Red Cross | [www.RedCross.org](http://www.RedCross.org)
- Salvation Army USA | <http://www.salvationarmyusa.org/>
- Feeding Texas | <https://www.feedingtexas.org/>
- Better Business Bureau | [www.BBB.org](http://www.BBB.org)
- Federal Emergency Management Agency | <https://www.fema.gov/> | (800) 621-FEMA
- If your insurance policy information has been lost, the Texas Department of Insurance (TDI) can help you locate your agent or insurance company. Call TDI's Consumer Help Line at (800) 252-3439 for assistance.

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*ABOUT TAB: The Texas Association of Builders (TAB) is a trade association serving the needs of home builders, remodelers and land developers throughout Texas, as well as the companies that service them. Founded in 1946, TAB is an affiliate of the National Association of Home Builders (NAHB) and has 27 local home builders associations and nearly 11,000 members across Texas. Representing over 723,058 jobs and more than \$67.5 billion annually in the Texas economy, the state and local associations play a crucial role in providing housing for Texans. For more information about the Texas Association of Builders, visit [www.TexasBuilders.org](http://www.TexasBuilders.org).*

## Appendix 2: Stakeholder Representation

The organizations that participated in the Building Trade Services for Property Owners Working Group are listed below.

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<b>Invited/Participating Organizations</b>
<b>Blinn College - Technical Education &amp; Community</b>
<b>Houston-Galveston Area Council</b>
<b>Northeast College</b>
<b>Texas A&amp;M System (Engineering, RELLIS Campus, TEEX)</b>
<b>Texas Association of Builders</b>
<b>Texas Association of Community Colleges</b>
<b>Texas Association of Regional Councils (COGS)</b>
<b>Texas Carpenters &amp; Millwrights Training Trust Fund</b>
<b>Texas Department of Licensing &amp; Regulation</b>
<b>Air Conditioning and Refrigeration</b>
<b>Building and Mechanical</b>
<b>Electricians</b>
<b>General Counsel</b>
<b>Regulatory Program Management</b>
<b>Texas State Board of Plumbing Examiners</b>
<b>Texas State Building &amp; Construction Trades Council</b>
<b>Texas Workforce Commission</b>
<b>United Association Union – Plumbers</b>
<b>Workforce Solutions Gulf Coast</b>
<b>Victoria Economic Development Corporation</b>

## Appendix 3: Legislation and Eye of the Storm Report

This section describes the legislation passed in the 86<sup>th</sup> Texas Legislature that mandated the submission of a report to members of the legislature on improving the oversight, accountability, and availability of building trade services following disasters and the highlights the recommendation from the *Eye of the Storm* report as developed by the Governor's Commission to Rebuild Texas that initiated the trade services legislation.

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### A. House Bill 2320

A copy of the complete bill can be accessed at the following web address:  
<https://capitol.texas.gov/BillLookup/Text.aspx?LegSess=86R&Bill=HB2320>.

Sec. 418.056. REPORT ON BUILDING TRADE SERVICES FOLLOWING DISASTERS.

(a) Not later than November 1, 2020, the division shall submit a report to members of the legislature on improving the oversight, accountability, and availability of building trade services following disasters. The report must include:

- (1) strategies to increase the availability of tradespeople, including plumbers and electricians, following a disaster;
- (2) approaches to increase prosecutions of alleged fraud related to building trade services offered following a disaster; and
- (3) methods to encourage performance bond requirements in contracts for building trade services to be performed following a disaster.

(b) The division shall consult with the Texas Department of Licensing and Regulation and any other state agencies selected by the division, local governments, trade associations, and law enforcement groups in preparing the report described by Subsection (a).

(c) This section expires January 1, 2021.

### B. Eye of the Storm

<https://www.rebuildtexas.today/wp-content/uploads/sites/52/2018/12/12-11-18-EYE-OF-THE-STORM-digital.pdf>

#### FROM CHAPTER 6 – ROAD TO RECOVERY (P. 95): CHALLENGES FOR PROPERTY OWNERS

**Recommendation:** *Improve oversight, accountability, and availability of individuals in the building trades offering services to disaster survivors.*

The Texas Division of Emergency Management, with the cooperation of appropriate agencies, jurisdictions, and trade associations, should implement this recommendation.

**Explanation:** Property owners struggled to find legitimate, skilled tradespeople to help them rebuild after Hurricane Harvey. Shortages in some building trades, particularly plumbers and electricians, have been an ongoing problem in some areas of the state for some time, and especially high demand for these tradespeople after the disaster made acquiring their services even more difficult.

During Harvey, the lack of qualified plumbers, electricians and other tradespeople, created a fertile environment for scams. Many contractors didn't have performance bonds, a common contracting provision still not required in many jurisdictions. To make matters worse, smaller communities often didn't have the resources to investigate and prosecute alleged instances of fraud.

These issues deserve attention by entities that have the interest and expertise to tackle such concerns. These entities could include, for example, TDEM, AgriLife, the Texas Department of Licensing and Regulation, representatives of local jurisdictions, trade associations, and law enforcement groups.

TDEM should organize this effort. With the assistance of participating entities, TDEM should spearhead a report delivered to the Legislature by November 1, 2020, in time for consideration by the 87<sup>th</sup> Legislature in 2021. At minimum, the report should address:

- strategies to increase the availability of tradespeople, particularly plumbers and electricians, following a disaster;
- approaches to increase prosecution of alleged fraud; and
- ways to encourage communities to require performance bonds from contractors in case of non-performance.

Implementing this recommendation would not result in additional cost to the state.