



**City of Houston Testimony on House Bill 2350**  
**by Kathryn Bruning, Deputy Director of Administration & Regulatory Affairs**

The City of Houston appreciates this opportunity to voice our concerns about House Bill 2350, relating to the authority of a political subdivision to regulate certain activities. The bill proposes to add Chapter 60 to the Occupation Code, pre-empting local licensing requirements.

Houston opposes this bill because it is overly broad in scope, preempting cities' ability to regulate certain aspects of the local businesses within our jurisdiction. Municipalities create regulations for the health, safety and welfare of our citizens, but this bill would prohibit our adopting any regulations that are more restrictive than the State's regulations. In many instances, this preemption will have the unintended consequence of endangering public safety.

For example, in 2017, a fire in a boarding home and a separate fire in an unlicensed congregate living facility resulted in three deaths and the emergency evacuation of 29 *elderly* and *disabled* residents. After extensive research into which governmental entity was responsible for establishing standards for such facilities, the City of Houston discovered that no State or Federal agency was directly responsible for establishing building safety for many group homes that do not fit into certain categories. Nursing homes and assisted living facilities have strict regulations at several levels of government, but a windowless metal warehouse that has been divided into living areas for daily rental by low-income occupants – or even single-family homes that house three or four unrelated individuals who need assistance with medications or sobriety – are largely unregulated as to structural safety. Even those homes that are regulated at some level as to their operations – such as single-family homes used to house parolees from the Texas Department of Criminal Justice (“TDCJ”) – do not have established structural safety regulations.

After these tragic events, City of Houston employees visited many housing facilities that were used for congregate living of various kinds, including single-family homes that been approved by the State of Texas to house TDCJ parolees in Houston. During those inspections, City representatives noted many of these homes had been altered to increase the number of residents that could be accommodated, without the owner applying for or receiving any of the required building permits. There were instances of raw sewage running through yards; illegally installed plumbing and electrical systems; insufficient areas of egress and ingress that would create a death trap in a fire; and generally unsanitary living conditions.

The City of Houston felt compelled to create regulations for the structural safety of these congregate living facilities, prescribing the installation of fire sprinklers, sufficient windows and doors, and other regulations that required the owners of these “businesses” to upgrade the facilities to obtain a Certificate of Occupancy for the safety of their residents. However, H.B. 2350 would

preempt the City of Houston's ability to continue to regulate these facilities through building permits, essentially putting these residents back in the unsafe conditions that existed before 2017.

But structural permitting regulations are not the only types of regulations that would be preempted by the proposed legislation. This bill would also preempt the regulations municipalities created to prevent predatory lending and business practices. For example, the City of Houston has enacted regulations regarding the practices of those business that offer pay day loans and auto title loans to the economically disadvantaged. The City of Houston also regulates the business practices of tow truck drivers, storage lots, and tow truck companies who also engage in predatory business practices. There are currently 817 incident management and private property wrecker drivers within our corporate limits, with approximately 270 tow companies and 120 storage lots. The City's background checks are more stringent than those required by the State law. The background checks are more stringent due to concerns for the safety and welfare of vulnerable drivers left stranded on our thoroughfares. Because of our stricter standards, we have identified and denied applicants for tow truck driver licenses whose criminal backgrounds included convictions for multiple DWIs; robbery; rape; aggravated assault; and felony theft.

Like most cities, Houston is also seeing a spike in the theft of metal. Metals are easy to steal and often hard to identify before destruction at the metal recycling entity. To discourage the buying and selling of stolen metal, the City requires a metal recycler to have a permit to operate in our jurisdiction, allowing our police officers to regularly engage with the permitted businesses who assist them in recovering stolen property and ensuring that bad actors are held responsible for theft by partnering with recycling entities.

The examples of the dangerous and often tragic occurrences, and the unethical business practices, that led to the enactment of many of our regulations are too numerous to discuss herein, but it is because of instances such as these – and in the interest of the health, safety, and welfare of our citizens – that Houston opposes H.B. 2350 as filed.