

SS SB 80 -- MECHANICAL CONTRACTOR LICENSES

SPONSOR: Schroer

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on General Laws by a vote of 13 to 1. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 5 to 0 with 1 Present.

This bill shall be known as the "Missouri Statewide Mechanical Contractor Licensing Act". Under this bill, the statewide mechanical contractor license, the statewide mechanical journeyman license, and the statewide mechanical apprentice license for mechanical work shall be regulated by the Division of Professional Registration, within the Department of Commerce and Insurance. The provisions of this bill shall not apply to mechanical work performed in Greene, Newton, and Jasper counties. This bill establishes the "Missouri Mechanical Contractor Licensing Fund" within the state treasury, which shall be expended for the administration of the provisions of the bill. A statewide license shall not be required to perform mechanical work in a political subdivision, but shall be accepted in lieu of an equivalent local license if a political subdivision requires a local license for mechanical work. Any person operating as a mechanical contractor in a political subdivision that does not require a local license shall not be required to possess a statewide license to operate as a mechanical contractor in such political subdivision.

If a political subdivision does not recognize a statewide license in lieu of a local license, a statewide mechanical contractor license holder may file a complaint with the Division, which may investigate such complaint. If the Division finds that the political subdivision failed to recognize a statewide mechanical contractor license, the Division shall notify the political subdivision of such violation and grant them 30 days to comply. If after 30 days the political subdivision does not comply, the Division shall notify the Director of the Department of Revenue, who shall withhold any moneys the political subdivision would otherwise be entitled to from local sales tax until the political subdivision is in compliance.

Applicants for the statewide licenses shall meet certain training, education, and experience criteria set forth in the bill equal to those of the mechanical code of St. Louis County as of April 18, 2023. A corporation, firm, institution, organization, or company seeking to engage in mechanical work shall have a least one statewide mechanical contractor licensee in its employ if the political subdivision requires a license. For the purposes of performing residential work, a statewide mechanical contractor or

statewide mechanical journeyman, or the equivalent local licensee, shall perform, direct, inspect, or supervise the work. For all other mechanical work, at least one statewide mechanical journeyman shall be on site for every statewide mechanical apprentice performing the work, or the equivalent local licensee.

The Division may refuse to issue any license, and may cause a complaint to be filed with the Administrative Hearing Commission against any holder of a license for causes specified in the bill. Upon a finding by the Administrative Hearing Commission that grounds for disciplinary action are met, the Division may censure or place such a person on probation for a period not to exceed five years, or may suspend, for a period not to exceed three years, or revoke any license. Upon a judicial or administrative finding of a violation of this bill, the Division may assess fines up to \$5,000.

Any person who knowingly violates the provisions of this bill is guilty of a Class B misdemeanor.

This bill is similar to HB 2050 (2022) and SCS SB 867 (2022).

PROPOSERS: Supporters say that this bill creates an optional license, based on the strictest license in the state, which will be valid in any county or municipality. This is a common-sense mechanical licensing bill. Legitimate concerns have been raised and addressed with reasonable changes, including carve-outs for special industries and certain service work, so this version of the legislation represents collaborative work and discussion. Missouri is currently facing a crisis of mechanical contractors, unable to find enough workers to satisfy demand. This bill is a positive step to make Missouri more attractive for workers and small business by reducing regulations and cutting through red tape.

Testifying in person for the bill were Senator Schroer; Mechanical Contractors Association of Eastern Missouri; Mechanical Contractors Association of Kansas City; Mark Jackson; and Brian Agers, Gateway ACC.

OPPOSERS: Those who oppose the bill say that the iteration of this legislation that has been heard in the past is harmful for any business either looking to come to Missouri or expand in the state. Certain negotiations and changes were made for slight benefits to the St. Louis area, to the detriment of the rest of the state. A lack of reciprocity or grandfathering language causes issues for older tradesmen who would be very burdensomely affected. As currently written, this bill will ultimately stifle growth in the state.

Testifying in person against the bill were the Associated Builders and Contractors.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under "House Testimony on a Senate Bill" on the House website.