# **Legislative Analysis**



#### MECHANICAL CONTRACTORS

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Senate Bill 60 (H-1) as reported from House committee

**Sponsor: Sen. Roger Victory** 

**House Committee: Regulatory Reform Senate Committee: Regulatory Reform** 

**Complete to 6-29-21** 

(Enacted as Public Act 68 of 2021)

Analysis available at

#### **SUMMARY:**

Senate Bill 60 would amend the Skilled Trades Regulation Act to revise the requirements for a person to sit for an examination to obtain a mechanical contractor's license, revise the classifications and limitations of a license, and allow credit for completion of certain HVAC programs to be applied toward the hours of work experience required to sit for a mechanical contractor's license.

Article 8 of the Skilled Trades Regulation Act requires a person to obtain a mechanical contractor's license in order to perform installations, alterations, or servicing of designated work classifications that are regulated under the Stille-DeRossett-Hale Single State Construction Code Act. Currently, to sit for a licensing exam, the person must be of good moral character and have a minimum of three years of experience (or an equivalent of that experience that is acceptable to the Board of Mechanical Rules) in one of the designated work classifications.

Under the bill, to qualify for a work classification examination, the applicant would have to be of good moral character and meet either or both of the following:

- Have a minimum of three years or 6,000 hours in the work classification for which he is she seeking a license (or an equivalent of that experience acceptable to the board). Except in the case of equivalent experience, an applicant would have to provide to the board and the Department of Licensing and Regulatory Affairs (LARA) a statement signed under penalty of perjury from each contractor of record that is the applicant's present or former mechanical contractor employer. The statement would have to indicate that the applicant has a minimum of three years or 6,000 hours of performance in each work classification for which the applicant is seeking a license. The statement also would have to include a detailed and specific description of the type of work performed and the length of time the work was performed by the applicant.
- For a specific license, currently hold, and have continuously held for the three years immediately preceding the examination, an active license in a work classification and limitation as specified in the bill. For example, under the bill, to sit for an unlimited heating service classification and limitation license examination, the applicant would have to hold currently, and have held for the three preceding years, a limited heating service license.

House Fiscal Agency Page 1 of 3 The bill also would revise the classifications and limitations for a mechanical contractor license issued by LARA as follows:

- Hydronic heating and cooling and process piping.
- HVAC equipment.
- Ductwork.
- Refrigeration.
- Limited heating service.
- Limited refrigeration and air conditioning service.
- Unlimited heating service.
- Unlimited refrigeration and air conditioning service.
- Fire suppression.
- Specialty.

Further, the bill would provide a mechanism by which LARA would have to apply credit for the successful completion of certain HVAC programs toward the three years or 6,000 hours of work experience required to sit for a licensing exam. LARA would determine the amount to be credited, but it could not exceed one year or 2,000 hours of the three years or 6,000 hours required.

MCL 339.5807

#### **HOUSE COMMITTEE ACTION:**

The House Regulatory Reform committee reported an H-1 substitute that removed a requirement that an applicant provide a notarized statement from each contractor of record that is the applicant's present or former mechanical contractor employer and instead would require the applicant to provide a signed statement, under penalty of perjury, from each contractor of record that is his or her present or former mechanical contractor employer.

### **BACKGROUND:**

Senate Bill 60 is similar to Senate Bill 827 of the 2019-20 legislative session as that bill was reported from the House Ways and Means committee. (That bill would have required an applicant to provide a notarized statement from a current or former mechanical contractor employer.)

## **BRIEF DISCUSSION:**

Senate Bill 60 would codify the current administrative practice of separating licensing classifications for heating and refrigeration/air conditioning. It would allow those with at least three years of experience to be licensed in additional fields and would establish a clear standard to apply educational credit toward completion of the required work hours. It also would retain the more recent practice of allowing an applicant to self-certify their own work experience rather than the previous practice of requiring a statement of the applicant's work experience from each contractor of record to be notarized. It is hope that the bill's revisions will improve standards for new licensees and, for some licensees, expand the work they can do.

## **FISCAL IMPACT:**

Senate Bill 60 would not have a significant fiscal impact on any unit of state or local government. The bill would be unlikely to have an appreciable impact on application volumes (and thus revenues), and any costs incurred under the bill would likely be sufficiently covered by existing appropriations.

### **POSITIONS:**

Americans for Prosperity indicated support for the bill. (5-18-21)

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<sup>■</sup> This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.