

# HOUSE BILL NO. 2673

## 99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MATHEWS.

6720H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 324, RSMo, by adding thereto twelve new sections relating to statewide mechanical contractor licenses, with penalty provisions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 324, RSMo, is amended by adding thereto twelve new sections, to be known as sections 324.950, 324.953, 324.956, 324.959, 324.962, 324.965, 324.968, 324.971, 324.974, 324.977, 324.980, and 324.983, to read as follows:

**324.950. As used in sections 324.950 to 324.983, unless the context clearly indicates otherwise, the following terms shall mean:**

(1) "Division", the division of professional registration within the department of insurance, financial institutions and professional registration;

(2) "License holder", any mechanical contractor who is granted a statewide license by the division;

(3) "Local license", a valid license issued by a political subdivision. Holders of such a license are limited to practice within the political subdivision issuing the license or in a political subdivision that does not require a license;

(4) "Mechanical contractor", a person engaged in mechanical contracting;

(5) "Person", an individual, corporation, partnership, association, or other legal entity;

(6) "Statewide license", a valid license issued or recognized by the division that allows the licensee to practice in any jurisdiction regardless of local licensing requirements.

**324.953. 1. The division shall adopt, implement, rescind, amend, and administer such rules as may be necessary to carry out the provisions of sections 324.950 to 324.983.**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

3 The division may promulgate necessary rules compatible with sections 324.950 to 324.983  
4 including, but not limited to, rules relating to professional conduct, continuing competency  
5 requirements for the renewal of licenses, approval of continuing competency programs,  
6 fees, and the establishment of ethical standards of business practice for persons holding a  
7 license under sections 324.950 to 324.983. Any rule or portion of a rule, as that term is  
8 defined in section 536.010, that is created under the authority delegated in this section shall  
9 become effective only if it complies with and is subject to all of the provisions of chapter  
10 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and  
11 if any of the powers vested with the general assembly pursuant to chapter 536 to review,  
12 to delay the effective date, or to disapprove and annul a rule are subsequently held  
13 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted  
14 after August 28, 2018, shall be invalid and void.

15 2. For the purpose of sections 324.950 to 324.983, the division shall:

16 (1) Establish all applicable fees, set at an amount which shall not substantially  
17 exceed the cost of administering sections 324.950 to 324.983; and

18 (2) Deposit all fees collected under sections 324.950 to 324.983 by transmitting such  
19 funds to the department of revenue for deposit to the state treasury to the credit of the  
20 Missouri mechanical industry licensing fund.

324.956. Sections 324.950 to 324.983 shall not apply to:

2 (1) Any work regulated by the public service commission; or

3 (2) Any exemptions provided by a political subdivision.

324.959. 1. The applicant for a statewide mechanical license shall satisfy the  
2 following requirements:

3 (1) Be at least twenty-one years of age;

4 (2) Provide proof of liability insurance in the amount of five hundred thousand  
5 dollars, and post bond with each political subdivision in which he or she will perform  
6 work, as required by that political subdivision;

7 (3) Pass a standardized and nationally accredited mechanical assessment  
8 examination that has been created and administered by a third party and that meets  
9 current national industry standards, as determined by the division;

10 (4) Pay for the costs of such examination; and

11 (5) Have completed seven thousand five hundred hours of verifiable field  
12 experience in the mechanical industry or a degree in mechanical or civil engineering from  
13 an accredited college with a minimum of three years verifiable experience directing and  
14 supervising at least one field employee.

15           **2. Mechanical contractors who hold a mechanical contractor license in good**  
16 **standing that was issued by any authority in this state that required, prior to January 1,**  
17 **2019, seven thousand five hundred hours of verifiable field experience in the mechanical**  
18 **industry shall be issued a statewide license without passing an examination. The provisions**  
19 **of this subsection shall apply only to mechanical contractor licenses issued by a political**  
20 **subdivision with the legal authority to issue such licenses.**

21           **3. Each corporation, firm, institution, organization, company, or representative**  
22 **thereof engaging in mechanical contracting shall have in its employ at least one license**  
23 **holder who possesses a statewide license in accordance with sections 324.950 to 324.983.**  
24 **A statewide licensed mechanical contractor shall represent only one corporation, firm,**  
25 **institution, organization, or company at one time.**

26           **4. Any person having a mechanical contractor license from a political subdivision**  
27 **that currently licenses mechanical contractors shall qualify for a statewide license under**  
28 **sections 324.950 to 324.983 so long as such person's license from the political subdivision**  
29 **is in good standing.**

30           **5. The division may negotiate reciprocal agreements with other states, the District**  
31 **of Columbia, or territories of the United States that require standards for licensure,**  
32 **registration, or certification considered to be equivalent or more stringent than the**  
33 **requirements for licensure under sections 324.950 to 324.983.**

**324.962. 1. Political subdivisions shall not be prohibited from establishing their**  
2 **own local electrical contractor's license, but shall recognize a statewide license in lieu of a**  
3 **local license for the purposes of performing contracting work or obtaining permits to**  
4 **perform work within such political subdivision.**

5           **2. If a political subdivision does not recognize a statewide license in lieu of a local**  
6 **license for the purposes of performing contracting work or obtaining permits to perform**  
7 **work within the political subdivision, then a statewide licensee may file a complaint with**  
8 **the division. The division shall perform an investigation into the complaint, and if the**  
9 **division finds that the political subdivision failed to recognize a statewide license in**  
10 **accordance with this section, then the division shall notify the political subdivision that the**  
11 **political subdivision has violated the provisions of this section and has thirty days to**  
12 **comply with the law. If after thirty days the political subdivision still does not recognize**  
13 **a statewide license, then the division shall notify the director of the department of revenue**  
14 **who shall withhold any moneys the noncompliant political subdivision would otherwise be**  
15 **entitled to from local sales tax as defined in section 32.085 until the director has received**  
16 **notice from the division that the political subdivision is in compliance with this section.**  
17 **Upon the political subdivision coming into compliance with the provisions of this section,**

18 the division shall notify the director of the department of revenue who shall disburse all  
19 funds held under this subsection. Moneys held by the director of the department of  
20 revenue under this subsection shall not be deemed to be state funds and shall not be  
21 commingled with any funds of the state.

22 3. The provisions of this section shall not prohibit any political subdivision in this  
23 state from:

- 24 (1) Enforcing any code or law contained in this section;
- 25 (2) Requiring a business license to perform mechanical contracting work;
- 26 (3) Issuing mechanical contracting permits;
- 27 (4) Enforcing codes of the political subdivision; and
- 28 (5) Inspecting the work of a statewide license holder.

29 4. Political subdivisions that do not have the authority to issue or require  
30 mechanical licenses prior to August 28, 2018, shall not be granted such authority under the  
31 provisions of this section.

324.965. There is hereby created in the state treasury the "Missouri Mechanical  
2 Industry Licensing Fund", which shall consist of moneys collected under sections 324.950  
3 to 324.945. The state treasurer shall be custodian of the fund and may approve  
4 disbursements from the fund in accordance with sections 30.170 and 30.180. Upon  
5 appropriation, moneys in the fund shall be used solely for the administration of sections  
6 324.950 to 324.983. The provisions of section 33.080 to the contrary notwithstanding,  
7 moneys in this fund shall not be transferred and placed to the credit of general revenue  
8 until the amount in the fund at the end of the biennium exceeds three times the amount of  
9 the appropriation from the fund for the preceding fiscal year. The amount, if any, in the  
10 fund which shall lapse is that amount in the fund which exceeds the appropriate multiple  
11 of the appropriations from the fund for the preceding fiscal year. The state treasurer shall  
12 invest moneys in the fund in the same manner as other funds are invested. Any interest  
13 and moneys earned on such investments shall be credited to the fund.

324.968. 1. Beginning in 2021, licenses shall be renewed once every three years.  
2 The division shall mail a renewal notice to the last known address of each person licensed  
3 under sections 324.950 to 324.983 prior to the renewal date. Failure to provide the division  
4 with the information required for renewal or to pay the required fee after such notice shall  
5 result in the license being declared inactive. The licensee shall not practice until he or she  
6 applies for reinstatement and pays the required fees. The license shall be restored if the  
7 application for reinstatement is received within two years of the renewal date.

8           **2. In addition to other requirements provided by sections 324.950 to 324.983 and**  
9 **established by the division, in order to renew such license under this section, the person**  
10 **shall have at least twenty-four contact hours of industry-related training.**

**324.971. Any person operating as a mechanical contractor in a political subdivision**  
2 **that does not require the mechanical contractor to hold a local license shall not be required**  
3 **to possess a statewide license under sections 324.950 to 324.983 to operate as a mechanical**  
4 **contractor in such political subdivision.**

**324.974. Licenses issued under sections 324.950 to 324.983 shall include the**  
2 **following work:**

3           **(1) All mechanical work as defined by the codes as written and published by the**  
4 **International Code Council;**

5           **(2) Backflow preventers as long as the individual performing the work has a state**  
6 **backflow certification; and**

7           **(3) Water heaters per the International Mechanical Code.**

**324.977. The statewide license shall be regulated by the division of professional**  
2 **registration and not a state-appointed licensing board.**

**324.980. Licenses issued under sections 324.950 to 324.983 shall not allow for:**

2           **(1) Individual licenses. Jurisdictions shall require a separate individual mechanical**  
3 **trade license in addition to the statewide license;**

4           **(2) Local municipalities from charging additional mechanical license fees; or**

5           **(3) Sprinkler fitter work.**

**324.983. 1. Any person that knowingly violates any provision of sections 324.950**  
2 **to 324.983 is guilty of a class B misdemeanor.**

3           **2. Any officer or agent of a corporation or member or agent of a partnership or**  
4 **association who knowingly and personally participates in or is an accessory to any**  
5 **violation of sections 324.950 to 324.983 is guilty of a class B misdemeanor.**

6           **3. The division may cause a complaint to be filed for any violation of sections**  
7 **324.950 to 324.983 in any court of competent jurisdiction and perform such other acts as**  
8 **may be necessary to enforce the provisions of sections 324.950 to 324.983.**

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