

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee November 21, 2022
Rough Draft

WAYNE: Good afternoon and welcome to your Urban Affairs Committee hearing. Good?

ANGENITA PIERRE-LOUIS: Yeah, we're good.

WAYNE: My name is Senator Justin Wayne. I represent Legislative District 13, which is north Omaha and northeast Douglas County. I serve as the Chair of the Urban Affairs Committee. We'll start off by having members of the committee and staff do self-introductions, starting with my right, Senator Blood.

BLOOD: Good afternoon. Senator Carol Blood representing District 3, which is parts of Bellevue and Papillion, Nebraska.

TREVOR FITZGERALD: Trevor Fitzgerald, committee legal counsel.

LOWE: John Lowe, District 37: Kearney, Gibbon, and Shelton.

ANGENITA PIERRE-LOUIS: I'm Angenita Pierre-Louis, committee clerk.

WAYNE: All right. This afternoon, we'll be taking two interim study resolutions up. We'll be tackling them in the order listed outside of the room. On the table in the back, you will find blue testifier sheets. If you are willing-- or planning to testify, please fill out one of those blue sheets and hand them to Angenita when you come up so we can have an accurate record of the hearing. If you do not wish to testify but would like to have your presence recorded on a position, please look at the gold sheet in the back of the room and fill those out. Also, I would note that it's the Legislature's policy that all letters must be received by 5 p.m. the day prior to the hearing. Any handout submitted by testifiers will also be included in the record. Please bring ten copies. If you don't, let us know in advance and we'll make sure that we have ten copies for the record. Testimony for each hearing will begin with the introducer's opening statement. After the opening statement, we will take testimony from the public. Since this is an interim study, there will not be proponents or opponents. We ask that you begin by spelling your first and last name for the record. We will also be using the four light-- four-minute light system. When you begin your testimony, the light will be green. With one minute left, it'll turn yellow and it will turn red, we ask you to wrap up your final thoughts. I would remind everyone, including senators, to please turn off your cell phones or put them on vibrate. With that, we will open up the hearing with LR348. Welcome.

TREVOR FITZGERALD: Good afternoon, Chairman Wayne and remaining members of the Urban Affairs Committee. For the record, my name is Trevor Fitzgerald, T-r-e-v-o-r F-i-t-z-g-e-r-a-l-d, and I'm introducing LR348 on behalf of the committee. In 2018, the Legislature passed the Occupational Board Reform Act, or OBRA, which became operative on July 1, 2019. The purpose of OBRA was to establish a process for ongoing review and analysis of occupational regulations in Nebraska, with the primary responsibility for such reviews assigned to the 14 standing committees of the Legislature. Under OBRA, an occupational regulation is defined as a statute, rule, regulation, practice, policy or other state law requiring an individual to possess certain personal qualifications or to comply with registration requirements to use an occupational title or work in a lawful occupation. Beginning in 2019, each standing committee is required to annually review and analyze approximately 20 percent of the occupational regulations within the jurisdiction of the committee and prepare and submit an annual report to the Clerk of the Legislature by December 15. The report shall include the committee's recommendations regarding whether the occupational regulations should be terminated, continued, or modified. There are currently four occupational regulations that have been identified as under the jurisdiction of the Urban Affairs Committee. The committee conducted its first occupational regulation review in 2020, but did not hold a public hearing on its 2020 review due to the COVID-19 pandemic. LR348 was introduced by the committee in order to facilitate the review of the occupational regulations for master plumbers. And I will note at the outset that while the term master plumber is used sporadically through the relevant-- throughout the relevant statutes, the statutes generally refer to the licensing of all plumbers, including journeyman, master plumbers, apprentices, etcetera. A copy of a draft report is included in committee materials for your consideration, and I will briefly highlight the findings of the report at this time. Unlike most occupational regulations required under state statute, there is no state agency that oversees the regulation of plumbers. Instead, plumbers are regulated at the municipal level in Nebraska. Nebraska statutes requiring the licensure of plumbers in municipalities which have established a plumbing board date back to 1901. Initially, the plumbing board statutes required that each city with a population of 50,000 or more appoint a plumbing board and provide for the mandatory licensure of plumbers within such cities. Fees for licensure at that time were initially set at \$1 for original licenses and \$0.50 for a license renewal. The plumbing board statutes have been amended numerous times over the years, primarily to change

which cities were required to establish a plumbing board and to alter membership requirements for local plumbing boards. Under current law, cities of the metropolitan class are required to have a plumbing board. While cities of the primary class, cities of the first class, cities of the second class, and villages have the option of establishing a plumbing board. Interestingly enough, the requirements for the city of Lincoln, our only city of the primary class, have changed multiple times over the years. They were required to have a plumbing board in the original statutes. The plumbing board was made optional in 1973, required again in 1975, and then finally made optional a second time in 1989. While two-year plumbing licenses were authorized in 1995, the license fees established in the initial 1901 plumbing board statutes were not increased until 2020 when the statutes were updated to authorize the establishment of fees by the city council or Village Board of Trustees based on the amounts actually necessary to administer the licensing program, but not to exceed \$25 per license. Additional changes to update and modernize the plumbing board statutes were also adopted in 2021. Under Nebraska Revised Statute Section 18-1907, any person desiring to do any plumbing, or to work at the business of plumbing, in any city or village which has established a plumbing board or within the extraterritorial zoning jurisdiction of a city of the metropolitan class must be licensed by the city or village plumbing board. Local plumbing boards also have the authority to adopt rules and regulations for the sanitary construction, alteration and inspection of plumbing and sewer connections and drains placed in or in connection with any and every building in the city or village, or again within the ETJ of a city of the metropolitan class. There are currently at least 12 cities which have established a plumbing board: Beatrice, Gering, Grand Island, Hastings, Holdrege, Lincoln, North Platte, Omaha, Schuyler, Scottsbluff, Seward and South Sioux City. A number of other cities currently license plumbers but do not have a plumbing board. And there's a large list of those cities, but larger cities that currently license plumbers but do not have a plumbing board include the cities of Bellevue, Blair, Kearney, La Vista and many others. For purposes of OBRA, because only cities with a plumbing board are statutorily required to license plumbers, the report does not include any information about licensing in those cities without a plumbing board. Because the report contains information from 12 separate cities, I will not provide specific numbers of licenses or other detailed information for each city, but I will provide some general observations for the committee based on the results. First, it appears that several cities with plumbing boards have struggled to maintain a

full board in recent years. For example, the chief building official in the city of Holdrege reported that their city has only had two members on its board for as long as he could remember, and he had worked for the, for the city for more than 15 years. Meanwhile, the city of Schuyler reported that their four-member board only had one position filled, that of the Chief Plumbing Inspector for the city. In other cases, it appears some cities were unaware that the specific board requirements for plumbing boards were contained in state statute. The city of Lincoln, as a city of the primary class, is required to have a five-member board in statute, but the city added two additional board members to its board several years ago when they created several classes of less restrictive licenses within city ordinance. Representatives from the city of Lincoln are behind me to testify and can provide more detailed information regarding this issue. Multiple cities also reported that their plumbing boards had not met in several years, despite the statutory requirement of at least one meeting a year. In many cases, this could be due to the fact that cities are not, in some cases, conducting their own examinations, but will instead utilize examinations provided by outside third parties like the International Code Council or the International Association of Plumbing and Mechanical Officials. Similarly, multiple cities reported that they rely largely on reciprocity with other jurisdictions for their licensed plumbers in their community. As for the cost of licensing, most cities were actually unable to separate out the cost of licensing for plumbers from the cost of other local licensing and code enforcement activities. As a result, most cities reported the actual cost of the licensing program as either zero dollars or a negligible amount. According to the National Conference of State Legislatures, or NCSL, 36 states currently provide for the statewide licensure of plumbers, including our neighboring states of Colorado, Iowa and South Dakota. However, I will note that several municipalities that responded to the committee survey reported that our neighboring states of Kansas and Wyoming also require a state plumbing license. So there's some kind of data disconnect within NCSL there, perhaps, but a map showing states with state plumbing license requirements according to NCSL is included in the draft report. While the draft report generally finds that the current occupational licenses-- sorry, regulations for plumbers in Nebraska are consistent with policy goals established under OBRA, the report does recommend two small technical changes to the plumbing board statutes. First, the committee should consider amending the plumbing board statutes to clarify that a municipality may still provide for the licensure of plumbers, even if it does not have a plumbing board. As noted earlier

in my testimony, a large number of municipalities are currently licensing plumbers without also having established a plumbing board. And while there is clear statutory authority elsewhere for this local licensure, there could be some confusion given the existence of the plumbing board statutes. Several cities with plumbing boards reported that they didn't see a need to necessarily have a board for various reasons so this clarifying change could lead to the elimination of local boards in cities where there is less of a need for that level of regulatory oversight. Second, the committee should consider addressing the issue identified with the makeup of the city of Lincoln's plumbing board. While the current board in Lincoln is largely compliant with statutory requirements, there appears to be some question as to whether the city could add additional board members under current law. Specifically amending the board requirements for cities of the primary class to reflect the current composition of the plumbing board in Lincoln or alternatively providing additional flexibility to all classes of municipality in the composition of their plumbing boards are two potential solutions to address this issue. A representative from the city of Lincoln, city of Omaha, and the League of Nebraska Municipalities are here to testify behind me, but I would be happy to answer any questions the committee may have about the report or the OBRA process at this time.

WAYNE: Any questions from the committee? Senator Lowe.

LOWE: Thanks and thanks, Trevor, for the report. Say I hire a plumber and I'm in Holdrege, Nebraska, which has a board, but my plumber is from Kearney. To work in Holdrege, does he need to go before the Holdrege board?

TREVOR FITZGERALD: The-- based on the current statutory structure, in order to practice plumbing in Holdrege, you should be licensed by the plumbing board in the city of Holdrege. But my understanding and communicating with a lot of the smaller cities that have plumbing boards is they will-- their licensing scheme has built-in reciprocity with other nearby cities. So my guess is in a city the size of Holdrege, many of the plumbers are actually going to be licensed elsewhere and have their licensing locally done through reciprocity.

LOWE: OK.

WAYNE: Any other questions from the committee? Seeing none, thank you.

TREVOR FITZGERALD: If I could take a quick moment. I do want to recognize that this will be my last hearing as staff for the Urban Affairs Committee and just say that it's been an honor working with all of you.

WAYNE: You think it's your last one, but we have another one scheduled. [LAUGHTER] You just don't know about it yet. So how interim studies work, we just go with public testimony, so we'll invite anyone up for public comment at this time. Welcome to your Urban Affairs Committee.

ANNA BESPOYASNY: Thank you. Good afternoon, Chairperson Wayne and members of the Urban Affairs Committee. My name is Anna Bespoyasny and that is A-n-n-a, Bespoyasny is B-e-s-p-o-y-a-s-n-y, and I am the superintendent of permits and inspections for the city of Omaha. I have with me today Martin Gomez, Chief Plumbing Inspector for the city of Omaha. Thank you for the opportunity to speak about an interim study for the occupational regulations for master plumbers. The city of Omaha has long had a plumbing board with the purpose of enforcing the plumbing code and providing license examinations to those individuals who are required to be licensed by the Omaha plumbing code, plumbing code. The plumbing board is administered by the Permits and Inspections Divisions of the Omaha Planning Department. The board members are appointed by the mayor and approved by the city council. The membership is comprised of eight members, which include the Douglas County Health Department Director, two master plumbers, two journeyman plumbers, an architect, a mechanical engineer, and a member of the general public not associated with the plumbing industry. Of the plumbing members, their representation is equally divided between union and open shops. The term for each member is three years from the date of their appointment. Each member, with the exception of the health department director, is compensated \$25 per meeting. The board is required to meet at least once per month. There are four months out of the year when the board meets twice. These months are those in which testing is offered. The board members holding plumbing licenses are actively engaged in preparing, monitoring and grading the examinations offered for the various licenses required by the plumbing code. The Chief Plumbing Inspector serves as advisor to the board and represents the board for any appeals. The city of Omaha provides a secretary for the plumbing board and this position also supports other skilled trade boards within the division. The plumbing board requires a license for those businesses performing plumbing, lawn sprinkler or water conditioning activities. Individuals representing themselves as a master plumber, journeyman plumber, lawn sprinkler contractor, sewer

layer, water conditioning contractor or water conditioning installer must also be licensed. Of these individual licenses, nearly 250 are master plumbers and nearly 800 are journeyman plumbers. The fee for a master plumber license is \$100 for the original license, \$75 per year for each renewal license thereafter. Regulation of the plumbing industry and those individuals performing this work is paramount to the health and safety of the community. Our plumbing board members offer a valuable service to the Omaha community. Thank you for your time. And Martin and I are available for any questions you might have.

WAYNE: Any questions from the committee? Seeing none, thank you for being here.

ANNA BESPOYASNY: Thank you.

WAYNE: Next testifier.

CHAD BLAHAK: Good afternoon. My name is Chad Blahak, C-h-a-d B-l-a-h-a-k, and I am the Director of Building and Safety for the city of Lincoln, Nebraska. And I have with me my Chief Plumbing Inspector, Pat Genrich. And I didn't, I didn't bring any additional documentation other than what we provided in the survey so that I can have specifics if questions are generated from this in regard to how we-- the characteristics for our board members. But in short, just like Omaha, our board members are appoint-- recommended by city staff; Pat and myself to the mayor and the city council. They have the responsibility to formally appoint those members to the board. We've-- Lincoln has had a board for many decades. The board meets quarterly, every quarter, and the types of activities that, that take place during these meetings, they grade the exams that are given by city staff. They make decisions on unclear exam answers as they, as they arise. They discuss and approve new testing policies if they desire materials and exam questions when they deem it's appropriate to start a new list of exam-- or a new set of exam questions. They oversee the testing processes for seven different classifications of plumbing related registrations. That's the master plumber contractor, master plumber, a journeyman plumber, water conditioning contractor, and water conditioning installer, a master gas fitter contractor and a journeyman gas fitter. And prior to 2017, there were three separate exam boards, one for the plumbing licenses, one for-- or plumbing registrations, one for the water conditioning registrations, and another separate exam board for the gas fitting registrations. We felt that it was appropriate to consolidate those boards by adding what amounts to an as-needed representative or an expert from-- one from

the water conditioning industry and one from the gas filling industry. Those types of registrations came up so infrequently that we don't ask them to show up unless we have applicants specific to those registrations. So it was a much more efficient use of the private volunteer's time and, and we felt that was a, a good way to go. So technically speaking, it was correct. We do have seven members that comprise our exam board, but two of them were brought on from those other exam boards. Departmental staff involved in, in the exam board, we have the-- myself and the Chief Plumbing Inspector. And the Chief Plumbing Inspector processes applications, schedules exams, and then proctors those exams and they're multipart exams. Then we also have an administrative professional that schedules the exam board meetings, prepares agendas for those meetings, and takes minutes for those meetings. And they are not specifically budgeted for in terms of their responsibilities to the exam board. It's just one of the many responsibilities that both of those individuals perform. And with that, I can certainly answer any additional questions that may have come up.

WAYNE: Any questions from the committee? Seeing none, thank you for being here. Next testifier. Welcome to your Urban Affairs Committee.

ARRICK JAZYNKKA: Good afternoon, Chairman Wayne and Urban Affairs Committee members. My name is Arrick Jazyinka. That's spelled A-r-r-i-c-k, last name J-a-z-y-n-k-a. I am the business manager for Plumbers Local Union 16. And I am speaking today to voice my support for occupational regulations for master plumbers. The existing municipal qualifications for master plumbers best service the needs of the industry and the communities they serve. The existing framework ensures the delivery of high-quality services, which instills great consumer confidence. Low-quality practitioners can potentially threaten public health and safety and is often difficult for consumers to evaluate a plumber's quality beforehand. Licensing is a manner to address this problem because it requires master plumbers to meet certain quality benchmarks, thereby creating greater incentives to invest and increase training and skill development. Any action which would dilute municipal qualifications for, for master plumbers could not only put public health and safety at risk, but also result in costly repairs for constituents. Requiring licensed master plumbers ensures plumbing and mechanical systems are installed according to the highest health and safety standards adopted by that jurisdiction. It is for these reasons that we recommend the existing local-level qualifications for master plumbers be maintained. We look forward to collaborating with the committee as you all deliberate on the policy

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that will best serve the residents of Nebraska. Thank you, and I will answer any questions that you may have.

WAYNE: Any questions from the committee? Thank you for being here.

ARRICK JAZYNKA: Thank you.

WAYNE: Next testifier.

ROBERT WOODARD: Good afternoon, Chairman Wayne and honorable members of the Urban Affairs Committee. My name is Robert Woodard, R-o-b-e-r-t, last name Woodard, W-o-o-d-a-r-d, and I am here as a business agent for Plumbers Local Union 16. As a licensed master plumber, I'm speaking today in response to LR348 to voice my support for the occupational rate regulations for master plumbers. When implemented correctly, licensing offers important health and safety protection to consumers as well as benefits to tradespeople. We believe that the existing qualifications for master plumbers provide for the necessary workforce development which benefits the state. Employment in a licensed occupation has been shown to increase hourly earnings compared to unlicensed individuals with similar education and skill. The current municipal licensing regime offers tradespeople clear guidelines for professional development and training. In turn, this encourages individuals to invest in occupational skills and create career paths for licensed work. This is especially crucial in these times of economic uncertainty and workforce shortages. We believe that any action to weaken municipal qualifications for master plumbers could have a negative impact on the state's workforce. Additionally, this action could put public health and safety at risk. Licensing provides recourse for consumers when practitioners fail, fail to deliver services safely or adequately. It is for these reasons that we urge the committee to maintain the existing occupational regulations for master plumbers. Thank you for your time. And if you have any questions, I'm available.

WAYNE: Any questions from the committee? Seeing none, thank you for being here. Next testifier.

LYNN REX: Thank you. Senator Wayne, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We really appreciated the work that Trevor, Trevor has done on behalf of this committee with respect to this important legislative resolution. I think you've already heard from those that are licensed plumbers, the importance of it, because of the safety. If

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you notice on page 16 of the report, you've outlined here some various reasons why municipalities themselves believe that it's so important for the public health, safety and welfare of their citizens to have this regulation. That being said, as Trevor noted, there are only 12 municipalities with license-- with a license plumb-- pardon me, with a plumbing board. I really-- we really appreciate what you have on page 22 is the recommendations for possible amendments to statutes for the clarification that you can still have licensure without a plumbing board. We think that's very important. We think the second recommendation also would be helpful. So we really appreciate the hard work of this committee and the importance of what plumbers do across the state and the importance of licensure. So I also would just underscore that many, many cities require the insurance and bonding, which is so important for homeowners, businesses and others. With that, I'd be happy to answer any questions that you might have.

WAYNE: Any questions from the committee? Seeing none, thank you for being here.

LYNN REX: Thank you very much.

WAYNE: Next testifier. Seeing none, that will close the hearing on this interim hearing. Next up, LR413. Senator Dorn. Welcome to your Urban Affairs Committee hearing.

DORN: Thank you. Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Myron, M-y-r-o-n D-o-r-n, state senator representing LD 30. And I come before you today with this opening statement for LR413. Intent of LR413 is to evaluate the potential transition to a statewide professional license for heating, ventilation, and air conditioning technicians. Nebraska is experiencing a significant skilled trade worker shortage, and this includes HVAC technicians. The Nebraska Department of Labor projects a need of nearly 400 workers for heating, air conditioning and refrigeration mechanics and installers annually for the next ten years. These still-- these skilled trades provide career opportunities for many Nebraskans. But to do HVAC work, technicians must get a separate license for each municipality in which they work, kind of just as you heard before. This often imposes barriers in terms of time and cost. Therefore, the state could potentially benefit from a more streamlined licensing process. As you are all aware, the Platte Institute has been a key driver of workforce licensing and reform, both here in Nebraska and nationally. They approached me about introducing this interim study, and they will be here to testify

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today. An individual from Omaha who started a nationwide HVAC company will also be testifying. He has served on the Metro Community College Advisory Board and is passionate about working on solutions addressing the lack of workers in the trades in our state. With that, I will close my opening. And if you have committee-- if the committee members have any questions, I know there will be people behind me that will be more knowledgeable than I will be.

WAYNE: Understand. Any questions from the committee? Thank you for being here.

DORN: Yeah.

WAYNE: First testifier.

LAURA EBKE: Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Laura Ebke, that's L-a-u-r-a E-b-k-e, and I am a senior fellow at the Platte Institute. One of my areas of focus is workforce licensing related issues. We want to thank you for holding this hearing today and thank Senator Dorn for introducing this study. The Platte Institute has spent a lot of time working on workforce licensing and regular-- regulatory reform issues. We work to reduce barriers to individual success and to find ways to grow our state economically. We often outright oppose the creation of new licenses and the expansion of existing ones. Generally speaking, we think that fewer licenses to work would be better, both for workers seeking to enter and occupation and for consumers who would benefit from having more choices. HVAC services provides an interesting conundrum for us though. There don't seem to be any statewide regulations on HVAC technicians, aside from the requirement that contractors and subcontractors register with the Nebraska Department of Labor. Local jurisdictions can, however, much like plumbers, create their own licensing requirements. And therein lies the problem for both service providers and consumers. Licensing requirements from county to county could be different. The hassle of licensing, licensing in counties where you may do limited business might, might not be worth it. And that could be especially problematic in urban areas when crossing a street could put you in a different county's jurisdiction. But this could also happen in, in rural areas as well if one county may choose not to have a license and the other chooses to have a license. Keeping up with compliance as one crosses jurisdictional boundaries can frustrate technicians and contractors, and quite frankly, limit the, the options that consumers who live barely outside a jurisdiction might have. I did a little quick

research on licensing of HVAC technicians. Only about half a dozen states license at the state level. Some of the rest of the states have a framework similar to Nebraska's with local licensing or no licensing. A few states or localities appear to include them as specialties within their plumbing licensing. Several states appear to license the contractors or owners of the businesses, and technicians are unlicensed and work under their employers' authority and liability. That might be a more streamlined way of doing things and wouldn't necessarily require creating a normal licensing board, but rather a method of providing competence-- proving competence and adequate liability insurance for the person responsible for the work. If there were a desire to look at a statewide licensure of technicians and/or contractors, the Nebraska Electrical Board might be a good place to look for history and structure. Another point to consider: those in assorted contracting or building trades are already subject to many expectations regarding code compliance. Licensure, especially of individual technicians, may be less critical than having an effective inspection regime and holding contractors responsible for their employees' work. Most jurisdictions have a charge for inspection, so charging individual technicians to get a license and paying for inspections will likely add cost to the consumer. A more robust inspection program may, in many instances, be adequate to protect the public safety and eliminate the need for some sort of licensure. Ultimately, whether the decision is made to create state licensing of individual technicians or just of contractors, it makes sense to approach licensing, if it must exist, as a state rather than as a local function, as it may allow workers to be more mobile and, and able to fill work-- workforce shortages in other parts of the state. While we at the Platte Institute might prefer to see no licensing in many fields, we want-- we also want to avoid arbitrary requirements-- and I'm just about finished, let me finish my sentence-- and excessive fees of someone-- if someone chooses to work in multiple jurisdictions in the same state. It would be also better to facilitate universal recognition of workers for-- who might be going to other states or for those who might come to our state if we eventually pass that legislation.

WAYNE: Any questions from the committee? Senator Lowe.

LOWE: Thank you. Laura, good to see you again. You're for licensing now?

LAURA EBKE: Hard to believe, isn't it? You know, that there-- there are already, there are already some licenses with respect to, with

respect to HVAC. And so if you're going to have licensing in a, in a state like Nebraska, it makes sense to have a single license so that the workforce can move from county to county, jurisdiction to jurisdiction with minimal compliance issues. Do I think licensing is a good thing? I'd prefer to see more-- a more robust inspection, but if we're going to have licenses, let's at least make it easier for people to be able to work all over the state.

LOWE: And do you have anything else you want to say?

LAURA EBKE: I think I got it all in.

LOWE: OK. I just didn't if you had any thoughts--

LAURA EBKE: Thank you. No.

WAYNE: Any other questions from the committee? Seeing none, thank you for being here today.

LAURA EBKE: Thank you.

WAYNE: Next testifier.

BRIAN ROGERS: Good afternoon, Chairman Wayne, honorable members of the Urban Affairs Committee. I am Brian Rogers, B-r-i-a-n R-o-g-e-r-s. I'm vice president of field services for the International Association of Plumbing and Mechanical Officials, commonly referred to as IAPMO. I'm speaking today in response to the LR413, which seeks to study potential statewide professional licensing for heating, ventilation and air conditioning technicians. The IAPMO group founded in 1926 is a codes and standards development organization and trade association that provides a critical voice for the industry by focusing on the technical aspects of the plumbing and mechanical sectors. Our membership includes contractors, installers, engineers, manufacturers, suppliers, plumbing and mechanical inspectors and building officials. IAPMO's mission is to protect public health by promoting efficient and effective plumbing and mechanical systems. I am before you today to share with the committee what the industry experienced when the neighboring state of Iowa instituted statewide licensing in 2009. Iowa established licensure requirements for individuals, apprentices, journeyman and masters who provide plumbing, heating, ventilation and air conditioning services. The state law preempted all other licensure requirements in the state. In doing so, the state created a plumbing and mechanical systems board to oversee licensure, testing, enforcement, investigations, continuing education courses and

instructors. The board also regulates sublicenses, which they consider to be specialty license. In developing the statewide license for Iowa, the legislator and state agencies heard from special interest groups who sought to get their piece of the pie and have a specialty license for their special interest. For example, the Iowa board does not simply regulate HVAC. They also have sublicenses such as the Service Technician HVAC Specialty License, which is a sublicense under the HVAC refrigeration. This is just one example of many specialty license regulated by the board. There are numerous others. This is illustrative of the can of worms that is-- can be opened when the state sought to develop a statewide licensing framework. In addition to dealing with these special interest groups, Iowa had to contend with the continuing-- continue-- continuing education requirements for each trade as well as funding an enforcement mechanism to ensure the licensing law was filed-- was followed. Unfortunately, that funding mechanism for enforcement never came to fruition. In theory, a statewide license appears to be streamlined process and eliminate red tape. However, as a member of the trades, I want to emphasize through these examples that is anything but. In contrast, I wish to highlight success stories of local jurisdictional licensing in the Midwest, such as what exists in your backyard. Lincoln, Grand Island and Omaha have successfully, successfully administered licensing for decades and is able to do so at a low cost to the industry. For example, where Omaha requires a \$35 fee for HVAC license, Iowa charges \$180 for a journeyman license, \$240 for a master, and \$250 for a contractor. This added cost to the tradesperson could ultimately trickle down to the consumer. In closing, we recommend that the Legislature carefully examine and take into consideration all the possible negative implications moving to a statewide licensing would impose on the state, its workforce and consumers. Thank you for your time today, and I would be happy to answer any questions that you might have.

WAYNE: Any questions from the committee? Seeing none, thank you for being here. Next testifier. Welcome.

JAMIE BEARUP: Thank you. My name is Jamie Bearup, J-a-m-i-e B-e-a-r-u-p. Good afternoon, Chairman Wayne and honorable members of the Urban Affairs Committee. I am Jamie Bearup, the president of the United-- the Lincoln building trades and business representative for Local 464 Steamfitters and Plumbers representing the skilled workers in the mechanical trades. I am speaking today in response to LR413, which seeks to study potential statewide professional licensing for heating, ventilation and air conditioning technicians. The existing licensing regulations at the local level is best serving the

workforce, the state and its residents. Regulating this industry locally ensures proper enforcement. If licenses-- if licensing is taking statewide, local jurisdictions would no longer enforce licensing laws, and that could open the door for contractors to operate without credentials. Unlicensed contractors are a threat to public health and safety, and they can also leave consumers with costly repairs. There have been examples of unlicensed contractors competing against companies who hire licensed workers, which provides them with an unfair bidding advantage. These scenarios are easily avoided by ensuring local licensing laws and are maintained. Additionally, statewide licensure would have a negative physical impact on-- to the state. Neighboring states such as Iowa have incurred sizable expenses with the implementation of statewide licensing. There are also examples of states with statewide licensure which charge high fees to the tradesperson. One example is-- one example of this is the state of Wisconsin, which requires \$200 fee for an HVAC license. Compare that to Omaha, which requires a \$35 for the same license. This added cost for the tradesperson can ultimately lead to higher prices for the consumer. In these times of economic uncertainty, it would be unwise for the state of Nebraska to incur a similar financial burden should legislation on this topic be enacted. Lastly, the committee can draw on the experience of the Nebraska Department of Environment and Energy, NDEE, and its regulations of water operators license. This license was initially overseen by the Department of Health and Human Services, DHHS, but was moved over to the NDEE. Since the transition, tradespeople are experiencing prolonged waiting periods and backlogs to obtain their license. Additionally, there have been issues with resources to support these licensees. Unlike in, in DHHS and the NDEE isn't as user friendly any-- and lack of tools necessary for tradesperson to easily access resources to better serve their industry. This is obviously not an ideal situation for water operators and could foreshadow possible issues should the state explore a similar framework for the HVAC industry. It is for these reasons that we recommend the Legislature does not implement statewide licensing for HVAC technicians and instead maintain the existing local licensing laws. The existing regulations are benefiting to the state, the workforce and the constituents. We look forward to collaborating with the committee as you will-- as you all deliberate on policy that will best serve the residents of Nebraska. Thank you for your time and I'm available for any questions.

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WAYNE: Thank you for your testimony. Any questions? Seeing none, thank you for being here.

JAMIE BEARUP: Thank you.

WAYNE: Next testifier. Welcome, John, to your Urban Affairs Committee.

JOHN McCARTHY: My name is John McCarthy, M-c-C-a-r-t-h-y. Welcome, Justin, and rest of the Urban Affairs Committee. As a-- as we know, one of the main reasons for licensing is the, the citizens of, of the state of Nebraska having-- being protected with the health and welfare of what it is and make it safe for their homes. I'm representing McCarthy One Hour Heating and Air Conditioning, and my company has been in business for over 52 years. I've been a licensed contractor in Omaha for 52 years. I started my business in 1970 and have been licensed since August of 1970. So one of the things that I feel is I've, I've been through a lot of this and seen a lot of it in different directions. The electric provision in the state of Nebraska has had a licensing, a licensing and followed through the state, through the city and everything else, basically fairly smooth. And it hasn't been a problem. It's a state license. It's the only state license we have in the mechanical trades, so the state license allows people in the state of Nebraska to work underneath the same codes the same way. I just recently ran for Metropolitan Community College and lost. But anyway, the state license would help each and every one of the community colleges train underneath one, one license. We have multiple licenses in the state, which mean multiple different reasonings to have it as far as that. When it comes to CEU training, our credit that we need to get for each one, it's, it's a disaster when it's trying to teach a different area, a different zip code from everything else. When we move-- as we see Omaha moving west, it will run into Valley and into Waterloo and into other parts of the state. So we, we start running into more towns that we have. Right now, you know, Iowa has no license-- has had a license for ten years. Nebraska has no license requirement, a local license only. Kansas does not require an HVAC license. South Dakota does not require an HVAC license. Wyoming does not require an HVAC license. Colorado does not require an HVAC license and Missouri does not require an HVAC license. One of the major benefits, I think, is that our state is-- will work together underneath the same codes and which will protect our citizens of the state of Nebraska. I currently work in my, in my life as far as that in Bellevue, Omaha, Papillion, La Vista, Gretna, basically town area. So we have multiple codes that we have to look at in multiple ways of doing it. Today's-- in today's housing shortages we have seen,

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we need the manpower to move the trades to be able to build the new housing that is needed for it. I think essentially the HVAC business has been named as an essential business during the pandemic. It has shown that we are very busy and have kept very busy at this point in time. Training people, building the workforce development is for all of us to work on as far as that. And the basic things that I really want to get across is that, you know, when you talk about safety and the carbon monoxide, especially at this time of the year, carbon monoxide and safety are something that happens in this state. Whether we like to see it or not, it, it happens. And it's unfortunate. We, we as a company make sure that every time we leave the house or business or whatever place we're doing, we ask and try and make sure that everything's taken care of. You know, knock on wood, it's been very fortunate over the 52 years of business that I've had no challenges. Safety highlights. Basically, the highlights of the, of the whole statement is by safety and the codes of the state of Nebraska. The current techs at the trade schools are able to have a, a trade school which has taught everything the same, the same way with the, the union and its trade school can teach everything the same way, what we teach underneath the same thing. Multiple licenses, it's a problem, but it's not a major problem as far as that. Having multiple licenses, the state would be easier. We got to send more money into different places and that's it. When you, when you look at the cost of the license, it's, it's not as big a cost throughout the cost of a whole year of a business.

WAYNE: I'll ask you to wrap up, please.

JOHN McCARTHY: Getting in, in line with all the licenses in different states, that's basically all I have.

WAYNE: Any questions from the committee? Seeing none, thank you for being here.

JOHN McCARTHY: Thank you.

WAYNE: Welcome.

KELSEY JOHNSON: Good afternoon. Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Kelsey Johnson. It's spelled K-e-l-s-e-y, my last name is J-o-h-n-s-o-n. I am here on behalf of the Mechanical Contractors Association of Omaha. I am the executive vice president. I'm here speaking in response to LR413, which seeks to study potential statewide professional licensing for

heating, ventilation and air conditioning techs. The current local licensing, licensing regime for HVAC offers important health and safety protections, as some of my colleagues have touched on prior. These requirements ensure high-quality services, safeguard against serious harm, and offer clear guidelines around professional development and training. Our cities are thriving due in part to local regulations. If these regulations were to be moved away from the purview of local jurisdictions, it's possible that the requirements for licensure would be less stringent. Low-quality practitioners can cause costly repairs, thereby lowering consumer confidence and can put health and safety at risk of the public. In addition to negative health outcomes, enacting statewide licensure of this industry could have a negative fiscal impact to the state and be procedurally burdensome. For example, the state of Iowa issues trade licenses for HVAC at the apprentice, journey person, and master level, whereas Omaha only issues licenses for two of these industry pathways. This demonstrates the possibility that statewide HVAC licensing could ultimately involve more bureaucratic, bureaucratic red tape than what currently exists at the local level. And in terms of negative fiscal impact, the state of Iowa expended a total of \$715,000 in the fiscal year of 2021, which included about 1,300 HVAC license holders. And since the state operates in a three-year license renewal cycle, there are years when their expenditures could supersede their revenues. We can expect the state of Nebraska to incur a similar financial burden should legislation on this topic be passed. Lastly, licensing is only worth as much as its enforcement. If licensing is taken statewide, local jurisdictions would no longer be responsible for enforcing licensing laws and requiring proof of credentials. This would open the door for contractors in the state to operate without a license and perform subpar work. In closing, we recommend that the Legislature do not enact statewide licensing requirements and instead maintain the existing local licensing laws which provide a benefit to state workforce and consumers. Thank you for your time and I look forward to collaborating with, with the committee.

WAYNE: Any questions from the committee? Seeing none, thank you for being here today.

KELSEY JOHNSON: Thank you. Appreciate your time.

WAYNE: Next testifier.

ANNA BESPOYASNY: Chairman Wayne, honorable committee members. Again, my name is Anna Bespoyasny. That's A-n-n-a B-e-s-p-o-y-a-s-n-y,

superintendent of permits and inspections. I have with me today, Tom Phipps, Chief Mechanical Inspector for the city of Omaha. Thank you for the opportunity to speak about this interim study for a statewide HVAC technician license. The city of Omaha agrees that licensing HVAC technicians is necessary to regulate the individuals engaging in this work. The city of Omaha currently has an Air Conditioning and Air Distribution Board that is responsible for the examination, certification and issuance of a variety of licenses for individuals performing work on furnace and air conditioning systems. Our terminology is ACAD license as opposed to the HVAC license, but we are discussing the same skilled trades group. The ACAD Board has the authority to accept exams taken in other jurisdictions and to issue reciprocal licenses when appropriate. The board presently reciprocates ACAD licenses with other jurisdictions in Nebraska, Iowa, Missouri and Kansas. These measures are our effort to provide a streamlined licensing process for qualified individuals. While the city of Omaha does agree that more workers are needed in the skilled trades, we have a neutral position regarding a statewide HVAC license because of the multitude of questions with regards to its implementation and execution. Some of these questions for your consideration are the following: Who is considered a technician? Will the state reciprocate with other states? Will the state HVAC license include hydroponic ammonia or only freon gas systems? Will there be one license for residential work and one license for commercial work? Will the state mandate what code or addition that all systems must be installed to? Obviously, there are many more questions that could be generated and should this committee deem it appropriate, we would welcome the opportunity to be part of the conversation. Again, thank you for your time. And Tom and I are available for any questions if you have any.

WAYNE: Thank you. Any questions? Thank you for being here.

ANNA BESPOYASNY: Thanks.

WAYNE: Next testifier. Welcome.

JAMES HARPER: Senator Wayne, committee members, my name is Jim Harper. My address is 4203 Springview Drive, Grand Island, Nebraska. And I'm here not in support of this resolution or state licensing.

WAYNE: Can you spell your name for the record? Can you spell your name for the record?

JAMES HARPER: J-a-m-e-s--

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WAYNE: Thank you.

JAMES HARPER: --H-a-r-p-e-r, excuse me. And I'm, I'm speaking against statewide licensing at this point and for all the reasons that my predecessors have spoke against it. I think a better answer to the economic question is collaboration right now. And one of the things that happens between Hastings and Grand Island is that they work on collaborative licensing. And I know right now they're, they're about done with collaborative licensing on plumbing and I believe mechanical as well. I'm, I am retired so I've been out of this for a long time. I apologize for that and I wish somebody that was a little more current could speak to this from those cities. But I did check with them just in the last day or so and that's, that's where they're going. I think construction is always a local matter and you have to have a certain degree of responsiveness. And when I was a code official in Hastings and I was also a code official in, in Omaha, there were always people to talk to locally to move on with it whether it was a licensing question or a technical question. I know Mr. Phipps over here, he was very responsive to local contractors and, and mechanical contractors, and he could answer their questions in a timely manner. Construction is a time-sensitive activity. You got to move on. If the state is to get involved in this, I do wonder about the legal response of the state to somebody who's operating without a license in a community. I, I would think the response would be very slow. Within a municipality, when I was a code official in Hastings and Omaha, I could go directly to the legal department and voice my concerns and, and get moving on whatever action needed to be taken. I think the state would be hard-pressed to be that responsive. And with that, those are my comments and I'd welcome any questions.

WAYNE: Any questions from the committee? Seeing none, thank you for coming today.

JAMES HARPER: Thank you.

WAYNE: Next testifier.

LYNN REX: Senator Wayne, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We appreciate your time this afternoon. As the city of Omaha noted, we do have some questions as well about this and we're happy to work with this committee if you decide to move forward on this. I can see both sides of it, but I think that there are some serious issues that would have to be addressed before you moved into

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state licensing. With that, I'm happy to answer any, any questions you might have.

WAYNE: Any questions from the committee? What are, what are the other states that have-- do have a state licensing-- I don't have a map here, but what are the-- how does the League-- I mean, how-- what's the League's thought on that in the other states?

LYNN REX: Well, actually, we're going to have a conversation and a Zoom call probably in the next couple of weeks with Iowa and talk about with our counterparts over there how they see that happening and, and what issues they may have had. So I do think that-- I mean, again, I can see both sides of it. We can see both sides of it. I just think that there are some issues that have been raised here today and other issues have been brought to our attention that we think probably need to be addressed if you decide to go down that road.

WAYNE: Thank you.

LYNN REX: Thank you very much. And of course, always happy to work with Senator Dorn and Janet so thank you.

WAYNE: Any other testifiers? Seeing none, that will close the hear-- hearing on LR4-- oh wait, you want to, you want to give a closing? Typically-- I mean, I never give a closing on interim studies. But if you want to-- no. This will close the hearing on LR413. Thank you.