

SENATE BILL NO. 867

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

3601S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

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

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

Section A. Chapter 324, RSMo, is amended by adding thereto
2 eleven new sections, to be known as sections 324.950, 324.953,
3 324.956, 324.959, 324.962, 324.965, 324.968, 324.971, 324.977,
4 324.980, and 324.983, to read as follows:

**324.950. 1. Sections 324.950 to 324.983 shall be
2 known and may be cited as the "Missouri Statewide Mechanical
3 Contractor Licensing Act".**

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

**7 (1) "Division", the division of professional
8 registration within the department of commerce and insurance;**

**9 (2) "Field employee", any individual who is an
10 employee of a mechanical contractor and is engaged in
11 mechanical work at a jobsite within Missouri;**

**12 (3) "License holder", any individual who is granted a
13 statewide mechanical contractor license by the division;**

**14 (4) "Local license", a valid business or occupational
15 license issued by a Missouri political subdivision;**

**16 (5) "Mechanical contractor", a company engaged in
17 mechanical contracting work per the International Code**

18 Council (ICC) and National Fire Protection Association
19 (NFPA).

20 (a) Such contracting work shall include the design,
21 installation, maintenance, construction, alteration, repair,
22 and inspection of any:

- 23 a. HVAC system;
- 24 b. HVAC duct system;
- 25 c. Exhaust systems;
- 26 d. Combustion air or make up air;
- 27 e. Chimneys and vents;
- 28 f. Hydronic piping systems that are part of an HVAC
29 system;
- 30 g. Boilers, water heaters, and pressure vessels;
- 31 h. Process piping systems;
- 32 i. Fuel gas distribution piping;
- 33 j. Fuel gas-fired, fuel, and oil-fired appliances;
- 34 k. Fuel oil piping and storage vessels;
- 35 l. Fuel gas-fired and fuel oil-fired appliance venting
36 systems;
- 37 m. Equipment and appliances intended to utilize solar
38 energy for spa heating or cooling;
- 39 n. Domestic hot water heating, swimming pool heating,
40 or process heating;
- 41 o. Refrigeration systems, including all equipment and
42 components thereof;
- 43 p. Backflow preventers;
- 44 q. Medical gas piping;
- 45 r. Air, oxygen, and vacuum piping; and
- 46 s. Chillers and cooling towers.

47 (b) Notwithstanding the provisions of this section to
48 the contrary, "mechanical contractor" shall not include, and
49 the provisions of sections 324.950 to 324.983 shall not

50 apply to, the design, installation, maintenance,
51 construction, alteration, repair, or inspection of any:

52 a. Solid-fuel or gas-fueled hearth appliance, such as
53 wood stoves and fireplaces, including manufacturer specified
54 venting systems, fireplace chimneys, outdoor cooking
55 appliances with manufacturer specified venting systems,
56 outdoor fireplaces, and outdoor firepits;

57 b. Propane-related equipment for which certification
58 is required by any regulation adopted pursuant to
59 subdivision (3) of subsection 13 of section 323.025; or

60 c. Fire sprinkler or suppression system.

61 Additional certification may be required by the division for
62 a particular scope of mechanical work;

63 (6) "Office", the office of mechanical contractors
64 within the division of professional registration;

65 (7) "Statewide mechanical contractor license", a valid
66 license issued by the division that allows the mechanical
67 contractor and any of its employees or manufacturers'
68 representatives or subcontractors to practice in any
69 jurisdiction in Missouri regardless of local licensing
70 requirements. Political subdivisions shall not require any
71 member of the work force of a licensed statewide mechanical
72 contractor to obtain an individual occupational license.

324.953. 1. The division shall adopt, implement,
2 rescind, amend, and administer such rules as may be
3 necessary to carry out the provisions of sections 324.950 to
4 324.983. The division may promulgate necessary rules
5 authorized or as required to explain or clarify sections
6 324.950 to 324.983 including, but not limited to, rules
7 relating to professional conduct, continuing competency
8 requirements for the renewal of licenses, approval of

9 continuing competency programs, fees, and the establishment
10 of ethical standards of business practice for individuals
11 holding a license under sections 324.950 to 324.983. Any
12 rule or portion of a rule, as that term is defined in
13 section 536.010, that is created under the authority
14 delegated in this section shall become effective only if it
15 complies with and is subject to all of the provisions of
16 chapter 536 and, if applicable, section 536.028. This
17 section and chapter 536 are nonseverable and if any of the
18 powers vested with the general assembly pursuant to chapter
19 536 to review, to delay the effective date, or to disapprove
20 and annul a rule are subsequently held unconstitutional,
21 then the grant of rulemaking authority and any rule proposed
22 or adopted after August 28, 2022, shall be invalid and void.

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

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

28 (2) Deposit all fees collected under sections 324.950
29 to 324.983 by transmitting such funds to the department of
30 revenue for deposit to the state treasury to the credit of
31 the Missouri mechanical contractor licensing fund.

324.956. There is hereby created the "Office of
2 Mechanical Contractors" to be housed within the division of
3 professional registration. The division shall:

4 (1) Employ, within the limits of the funds
5 appropriated, individuals as are necessary to carry out the
6 provisions of sections 324.950 to 324.983, including both
7 administrative and professional staff and legal counsel,
8 with the discretion to hire experts in mechanical

9 contracting to advise the division on technical matters
10 related to mechanical contracting;

11 (2) Exercise all budgeting, purchasing, reporting, and
12 related management functions;

13 (3) Conduct investigations to determine compliance
14 with sections 324.950 to 324.983; and

15 (4) File suit in its own name on behalf of the office
16 to enforce the provisions of sections 324.950 to 324.983.

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

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

4 (2) Provide proof of liability insurance in the amount
5 of one million dollars and post bond with each political
6 subdivision in which he or she will perform work as required
7 by that political subdivision. If a political subdivision
8 requires any license holder to be named on a document,
9 including but not limited to the bond, the license holder of
10 the mechanical contractor shall be allowed to provide
11 services in the political subdivision;

12 (3) Pass one of the following standardized and
13 nationally offered mechanical assessment tests:

14 (a) International Code Council; or

15 (b) Prometric; or

16 (c) International Association of Plumbing and
17 Mechanical Officials (IAPMO); or

18 a similar test that is administered by an independent
19 professional testing agency not affiliated with any
20 political subdivision or the state of Missouri and is
21 approved by the division. The applicant shall pay for all
22 costs associated with the examinations;

23 (4) Complete the application form provided by the
24 division and pay any applicable application fees; and

25 (5) Have completed seven thousand five hundred hours
26 of verifiable field experience in mechanical contracting
27 work or a bachelor's or further advanced degree in
28 mechanical or civil engineering from an accredited college
29 or university with a minimum of three years verifiable
30 experience directing and supervising at least one field
31 employee.

32 2. Any applicant for licensure who holds a local
33 license, or other license authorizing him or her to engage
34 in mechanical contracting, who has seven thousand five
35 hundred hours of verifiable field experience in mechanical
36 contracting work, and who is otherwise eligible for
37 licensure shall be issued a statewide mechanical contractor
38 license. The provisions of this subsection shall apply only
39 to licenses issued by a political subdivision with the legal
40 authority to issue such licenses.

41 3. If a corporation, firm, institution, organization,
42 company, or representative thereof desires to engage in
43 mechanical contracting under sections 324.950 to 324.983 on
44 a residential or commercial jobsite, it shall have in its
45 employ at least one statewide license holder in accordance
46 with sections 324.950 to 324.983 or local license holder if
47 the political subdivision requires a local license. If a
48 corporation, firm, institution, organization, company, or
49 representative thereof desires to engage in mechanical
50 contracting under sections 324.950 to 324.983 on an
51 industrial jobsite, each individual engaging in mechanical
52 contracting shall have either a statewide mechanical
53 contractor license or a local license, if the political
54 subdivision requires a local license. A statewide

55 mechanical contractor license holder shall represent only
56 one corporation, firm, institution, organization, or company
57 at one time. A mechanical contractor shall have one license
58 holder responsible for offering Missouri based field
59 employees eight contact hours of industry training per year;
60 such mechanical contractor shall be responsible for
61 providing proof of training to the division upon request.
62 In the event of a loss of a license holder, a mechanical
63 contractor shall remain in good standing with the division
64 for six months after notifying the division of the change in
65 status. Within the six-month period, a new license holder
66 shall be registered with the division. If no license holder
67 is registered within such six-month period, the division
68 shall declare the mechanical contractor inactive.

69 4. The division may issue a statewide mechanical
70 contractor license to any individual who holds a current and
71 active license to engage in the practice of a mechanical
72 contractor or as a master pipefitter or master plumber
73 issued by any other state, the District of Columbia, or
74 territories of the United States that require standards for
75 licensure, registration, or certification considered to be
76 equivalent or more stringent than the requirements for
77 licensure under sections 324.950 to 324.983.

78 5. Where the contact information of a mechanical
79 contractor's employees is required to fulfill the
80 obligations of a license, such contact information shall be
81 considered a trade secret and therefore not a public record
82 under chapter 610.

324.962. 1. Political subdivisions shall not be
2 prohibited from establishing their own local mechanical
3 contractor's license but shall recognize a statewide
4 mechanical contractor license in lieu of a local license for

5 the purposes of performing contracting work or obtaining
6 permits to perform work within such political subdivision.
7 No political subdivision shall require the employees of a
8 statewide licensed mechanical contractor or its
9 subcontractors' or manufacturers' representatives to obtain
10 journeyman licenses, apprentice licenses, or occupation
11 licenses that require passing any examination or any special
12 requirements to assess proficiency or mastery of the
13 mechanical trade. The workforce of a mechanical contractor
14 shall be deemed eligible to perform mechanical contracting
15 work and to obtain permits to perform such work from any
16 political subdivision within the state of Missouri.

17 2. If a political subdivision does not recognize a
18 statewide mechanical contractor license in lieu of a local
19 license for the purposes of performing contracting work or
20 obtaining permits to perform work within the political
21 subdivision, a license holder may file a complaint with the
22 division. The division shall perform an investigation into
23 the complaint, and if the division finds that the political
24 subdivision failed to recognize a statewide mechanical
25 contractor license in accordance with this section, the
26 division shall notify the political subdivision that the
27 political subdivision has violated the provisions of this
28 section and has thirty days to comply with this section. If
29 after thirty days the political subdivision still does not
30 recognize a statewide mechanical contractor license, the
31 division shall notify the director of the department of
32 revenue, who shall withhold any moneys the noncompliant
33 political subdivision would otherwise be entitled to from
34 local sales tax, as defined in section 32.085, until the
35 director has received notice from the division that the
36 political subdivision is in compliance with this section.

37 Upon the political subdivision coming into compliance with
38 the provisions of this section, the division shall notify
39 the director of the department of revenue, who shall
40 disburse all funds held under this subsection. Moneys held
41 by the director of the department of revenue under this
42 subsection shall not be deemed to be state funds and shall
43 not be commingled with any funds of the state.

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

46 (1) Enforcing any technical code or law contained in
47 this section;

48 (2) Requiring a business license to perform mechanical
49 contracting work;

50 (3) Issuing mechanical contracting permits;

51 (4) Enforcing technical codes of the political
52 subdivision; and

53 (5) Inspecting the work of a statewide mechanical
54 contractor.

55 4. Political subdivisions that do not have the
56 authority to issue or require mechanical contractor licenses
57 prior to August 28, 2022, shall not be granted such
58 authority under the provisions of this section.

324.965. There is hereby created in the state treasury
2 the "Missouri Mechanical Contractor Licensing Fund", which
3 shall consist of moneys collected under sections 324.950 to
4 324.983. The state treasurer shall be custodian of the fund
5 and may approve disbursements from the fund in accordance
6 with sections 30.170 and 30.180. Upon appropriation, moneys
7 in the fund shall be used solely for the administration of
8 sections 324.950 to 324.983. The provisions of section
9 33.080 to the contrary notwithstanding, moneys in this fund
10 shall not be transferred and placed to the credit of general

11 revenue until the amount in the fund at the end of the
12 biennium exceeds three times the amount of the appropriation
13 from the fund for the preceding fiscal year. The amount, if
14 any, in the fund which shall lapse is that amount in the
15 fund which exceeds the appropriate multiple of the
16 appropriations from the fund for the preceding fiscal year.
17 The state treasurer shall invest moneys in the fund in the
18 same manner as other funds are invested. Any interest and
19 moneys earned on such investments shall be credited to the
20 fund.

324.968. 1. Licenses shall expire on a renewal date
2 established by the division. The term of licensure shall be
3 twenty-four months. The division shall mail a renewal
4 notice to the last known address of each individual licensed
5 under sections 324.950 to 324.983 prior to the renewal
6 date. Failure to provide the division with the information
7 required for renewal or to pay the required fee after such
8 notice shall result in the license being declared inactive.
9 The license holder shall not practice until he or she
10 applies for reinstatement and pays the required fees. The
11 license shall be restored if the application for
12 reinstatement is received within two years of the renewal
13 date.

14 2. In addition to other requirements provided by
15 sections 324.950 to 324.983 and established by the division,
16 in order to renew such license under this section, the
17 license holder shall have at least sixteen contact hours of
18 industry-related training during the previous two-year
19 period.

324.971. Any individual operating as a mechanical
2 contractor in a political subdivision that does not require
3 the mechanical contractor to hold a local license, or who

4 operates as a mechanical contractor in a political
5 subdivision that requires a local license possessed by that
6 individual, shall not be required to possess a statewide
7 mechanical contractor license under sections 324.950 to
8 324.983 to operate as a mechanical contractor in such
9 political subdivision.

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

324.980. 1. The division may refuse to issue any
2 certificate of registration or authority, permit, or license
3 required under sections 324.950 to 324.983 for one or any
4 combination of causes stated in subsection 2 of this
5 section. The division shall notify the applicant in writing
6 of the reasons for the refusal and shall advise the
7 applicant of his or her right to file a complaint with the
8 administrative hearing commission as provided by chapter 621.

2. The division may cause a complaint to be filed with
10 the administrative hearing commission as provided by chapter
11 621 against any holder of any certificate of registration or
12 authority, permit, or license required by sections 324.950
13 to 324.983, or any individual who has failed to renew or has
14 surrendered his or her certificate of registration or
15 authority, permit, or license for any one or any combination
16 of the following causes:

17 (1) Use of any controlled substance, as defined in
18 chapter 195, or alcoholic beverage to an extent that such
19 use impairs an individual's ability to perform the work of
20 any profession licensed or regulated by sections 324.950 to
21 324.983;

22 (2) The individual has been finally adjudicated and
23 found guilty, or entered a plea of guilty or nolo

24 contendere, in a criminal prosecution under the laws of any
25 state or of the United States, for any offense reasonably
26 related to the qualifications, functions, or duties of any
27 profession licensed or regulated under sections 324.950 to
28 324.983, for any offense involving a controlled substance,
29 or for any offense an essential element of which is fraud,
30 dishonesty, or an act of violence;

31 (3) Use of fraud, deception, misrepresentation, or
32 bribery in securing any certificate of registration or
33 authority, permit, or license issued under sections 324.950
34 to 324.983 or in obtaining permission to take any
35 examination given or required under sections 324.950 to
36 324.983;

37 (4) Obtaining or attempting to obtain any fee, charge,
38 tuition, or other compensation by fraud, deception, or
39 misrepresentation;

40 (5) Incompetency, misconduct, gross negligence, fraud,
41 misrepresentation, or dishonesty in the performance of the
42 functions or duties of any profession licensed or regulated
43 by sections 324.950 to 324.983;

44 (6) Violation of, or assisting or enabling any
45 individual to violate, any provision of sections 324.950 to
46 324.983, or of any lawful rule or regulation adopted
47 thereunder;

48 (7) Impersonation of any individual holding a
49 certificate of registration or authority, permit, or license
50 or allowing any individual to use his or her certificate of
51 registration or authority, permit, license, or diploma from
52 any school;

53 (8) Disciplinary action against the holder of a
54 license or other right to practice any profession regulated
55 by sections 324.950 to 324.983 granted by another political

56 subdivision, state, territory, federal agency, or country
57 upon grounds for which revocation or suspension is
58 authorized in this state;

59 (9) An individual is finally adjudged mentally
60 incompetent by a court of competent jurisdiction;

61 (10) Assisting or enabling any individual to practice
62 or offer to practice any profession licensed or regulated by
63 sections 324.950 to 324.983 who is not licensed or
64 registered and currently eligible to practice thereunder;

65 (11) Issuance of a certificate of registration or
66 authority, permit, or license based upon a material mistake
67 of fact;

68 (12) Failure to maintain liability coverage as
69 required for initial licensure;

70 (13) Violation of any professional trust or confidence;

71 (14) Use of any advertisement or solicitation which is
72 false, misleading, or deceptive to the general public or
73 individuals to whom the advertisement or solicitation is
74 primarily directed; or

75 (15) Failure to post bond as required by any local
76 jurisdiction.

77 3. After the filing of such complaint, the proceedings
78 shall be conducted in accordance with the provisions of
79 chapter 621. Upon a finding by the administrative hearing
80 commission that the grounds provided in subsection 2 of this
81 section for disciplinary action are met, the division may,
82 singly or in combination, censure or place the individual
83 named in the complaint on probation on such terms and
84 conditions as the division deems appropriate for a period
85 not to exceed five years, or may suspend, for a period not
86 to exceed three years, or revoke any certificate of

87 registration or authority, permit, or license issued under
88 sections 324.950 to 324.983.

89 4. An individual whose certificate of registration or
90 authority, permit, or license has been revoked shall wait
91 three years from the date of revocation to apply for any
92 certificate of registration or authority, permit, or license
93 under sections 324.950 to 324.983. Any certificate of
94 registration or authority, permit, or license shall be
95 issued at the discretion of the division after compliance
96 with all the requirements of sections 324.950 to 324.983
97 relative to the licensing or registration of the applicant
98 for the first time.

99 5. The division may file suit to enforce compliance,
100 including the authority to seek injunctions and restraining
101 orders to enjoin any individual from:

102 (1) Offering to engage or engaging in the performance
103 of any acts or practices for which a license is required
104 upon a showing that such acts or practices were performed or
105 offered to be performed without a certificate of
106 registration or authority, permit, or license;

107 (2) Engaging in the practice of business authorized by
108 a license issued under a building trades contractor law upon
109 a showing that the license holder presents a substantial
110 probability of serious harm to the health, safety, or
111 welfare of any resident of this state or owner or lessee of
112 real property within this state; or

113 (3) Refusing to recognize a statewide mechanical
114 contractor license as a valid license within any political
115 subdivision, or requiring journeymen or apprentices to be
116 individually licensed or requiring subcontractors' and
117 manufacturers' representatives, or other members of the

118 contractor's workforce to be licensed for work on
119 residential and commercial jobsites.

120 6. The division may assess fines for violations of any
121 of the provisions of sections 324.950 to 324.983 in an
122 amount not to exceed five thousand dollars per occurrence
123 upon a judicial or administrative finding of violation of
124 law.

125 7. The division may compel the production of
126 documents, things, or persons by subpoena.

127 8. The division may refer any violations of the
128 provisions of any state law or local ordinance relating to
129 the work performed by a license holder to the appropriate
130 state or local official.

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

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

9 3. The division may file suit for any violation of
10 sections 324.950 to 324.983 in any court of competent
11 jurisdiction and perform such other acts as may be necessary
12 to enforce the provisions of sections 324.950 to 324.983.

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