

SECOND REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 867

101ST GENERAL ASSEMBLY

3601S.03C

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) "Industrial mechanical contracting", work that  
13 includes a piece of process refrigeration equipment greater  
14 than two hundred tons, a process boiler greater than ten  
15 million British thermal units per hour (BTUH), or a process  
16 containing radioactive materials;**

17           (4) "License holder", any individual who is granted a  
18 statewide mechanical contractor license by the division;

19           (5) "Local license", a valid business or occupational  
20 license issued by a Missouri political subdivision;

21           (6) "Mechanical contractor", a company engaged in  
22 mechanical contracting work per the International Code  
23 Council (ICC) and National Fire Protection Association  
24 (NFPA).

25           (a) Such contracting work shall include the design,  
26 installation, maintenance, construction, alteration, repair,  
27 and inspection of any:

28           a. HVAC system;

29           b. HVAC duct system;

30           c. Exhaust systems;

31           d. Combustion air or make up air;

32           e. Hydronic piping systems that are part of an HVAC  
33 system;

34           f. Boilers, water heaters, and pressure vessels;

35           g. Process piping systems;

36           h. Fuel gas distribution piping;

37           i. Fuel gas-fired, fuel, and oil-fired appliances;

38           j. Fuel oil piping and storage vessels;

39           k. Fuel gas-fired and fuel oil-fired appliance venting  
40 systems;

41           l. Equipment and appliances intended to utilize solar  
42 energy for spa heating or cooling;

43           m. Domestic hot water heating, swimming pool heating,  
44 or process heating;

45           n. Refrigeration systems, including all equipment and  
46 components thereof;

47           o. Backflow preventers;

48           p. Medical gas piping;

- 49           q. Air, oxygen, and vacuum piping; and  
50           r. Chillers and cooling towers.

51           (b) Notwithstanding the provisions of this section to  
52 the contrary, "mechanical contractor" shall not include, and  
53 the provisions of sections 324.950 to 324.983 shall not  
54 apply to, the design, installation, maintenance,  
55 construction, alteration, repair, or inspection of any:

56           a. Solid-fuel or gas-fueled hearth appliance, such as  
57 wood stoves and fireplaces, including manufacturer specified  
58 venting systems, fireplace chimneys, outdoor cooking  
59 appliances with manufacturer specified venting systems,  
60 outdoor fireplaces, and outdoor firepits;

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

64           c. Fire sprinkler or suppression system.

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

67           (7) "Office", the office of mechanical contractors  
68 within the division of professional registration;

69           (8) "Statewide mechanical contractor license", a valid  
70 license issued by the division that allows the mechanical  
71 contractor and any of its employees or manufacturers'  
72 representatives or subcontractors to practice in any  
73 jurisdiction in Missouri regardless of local licensing  
74 requirements. Political subdivisions shall not require any  
75 member of the work force of a licensed statewide mechanical  
76 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. Any corporation, firm, institution, organization,  
42 or company, or representative thereof, engaging in work  
43 involving industrial mechanical contracting shall have in  
44 its employ at least one statewide license holder, or a local  
45 license holder if the political subdivision requires a local  
46 license, for every twenty individuals engaging in mechanical  
47 contracting for such work. For all other mechanical  
48 contracting work, a corporation, firm, institution,  
49 organization, or company, or representative thereof, shall

50 have in its employ at least one statewide license holder, or  
51 a local license holder if the political subdivision requires  
52 a local license.

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

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

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

324.962. 1. Political subdivisions shall not be prohibited from establishing their own local mechanical contractor's license but shall recognize a statewide mechanical contractor license in lieu of a local license for the purposes of performing contracting work or obtaining permits to perform work within such political subdivision. No political subdivision shall require the employees of a statewide licensed mechanical contractor or its subcontractors' or manufacturers' representatives to obtain journeyman licenses, apprentice licenses, or occupation licenses that require passing any examination or any special requirements to assess proficiency or mastery of the mechanical trade. The workforce of a mechanical contractor shall be deemed eligible to perform mechanical contracting work and to obtain permits to perform such work from any political subdivision within the state of Missouri.

2. If a political subdivision does not recognize a statewide mechanical contractor license in lieu of a local license for the purposes of performing contracting work or obtaining permits to perform work within the political subdivision, a license holder may file a complaint with the division. The division shall perform an investigation into the complaint, and if the division finds that the political subdivision failed to recognize a statewide mechanical contractor license in accordance with this section, the division shall notify the political subdivision that the political subdivision has violated the provisions of this section and has thirty days to comply with this section. If after thirty days the political subdivision still does not recognize a statewide mechanical contractor license, the division shall notify the director of the department of 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.

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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