

TESTIMONY – PUBLIC HEARING 2/13/2013

Submitted to: Appropriations Committee – Regulation & Protection

Agency: Department of Consumer Protection (DCP) Budget FY14/ FY15

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The DCP issues more than **40,000 licenses for the occupational licensing trades, i.e., plumbers, pipefitters, electricians, fire protection sprinkler work, sheetmetal worker, etc. who pay more than \$5 million in license fees to the state general fund annually.** These licensed individuals complete the four/five year apprenticeship training required for their trade, pass a state-authorized test, obtain a license, renew the license annually, and comply with the licensing laws of the state. Currently, many of these licensed individuals are out of work because the jobs that are available are being performed by people without appropriate training or licenses. Why??? They are unscrupulous and work cheaper and they know they can get away with it.

During bad economic times, violations of the licensing laws increase dramatically and due to these economic times, budget cuts to agencies and hiring freezes prevail and the word gets out in the construction industry, that Connecticut is a lightweight when it comes to enforcing many of the laws it has on the books.

In the DCP Budget for Regulation of Occupational & Professional Licensing, the *Statement of Need & Program Objectives* reads: **“To protect CT citizens from health and safety hazards and from unsafe or unscrupulous practitioners----- etc. To protect public health and safety through the enforcement of licensing obligations for numerous occupational and professional trades.”** However, the DCP only has two (2) inspectors on staff for enforcement of occupational licensing at the present time which makes it physically impossible for DCP to adequately enforce these licensing laws in the interest of public’s health and safety. Hundreds of complaints filed by consumers and others against various contractors and trades people have to be investigated and reports and documentation is necessary to prosecute violators.

MCAC recognizes that the state has major budget problems but in the construction industry occupational licensing arena alone, an increase in DCP investigative staff in this budget will more than pay for itself with the fines collected for the violations out in the field that are occurring every day. This problem should not be allowed to continue any longer.

We respectfully request your support to increase the number of occupational licensing inspectors to a ratio of one (1) inspector for every 8,000 licensees.

The fines levied for violations will increase dramatically to offset these expenses.

Contractors who hire unlicensed persons to perform this work are more than likely cheating the state in many other ways by:

Neglecting to pay unemployment compensation taxes.

Neglecting to provide workers' compensation coverage.

Neglecting to pay business taxes that legitimate businesses pay.

Also, unlicensed individuals do not pay license fees and/or appropriate income taxes.

THESE CHEATERS JEOPARDIZE THE HEALTH AND SAFETY OF THE PUBLIC.

LEGITIMATE BUSINESSES PAY ALL THE COSTS, BUT CANNOT COMPETE.

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