TESTIMONY - FEBRUARY 21, 2013 PUBLIC HEARING Room 2A LOB

Submitted to: General Law Committee

Submitted by: Joyce A. Wojtas, Lobbyist for Mechanical Contractors Association of Connecticut

RE: PROPOSED BILL NO. 324 - AN ACT REQUIRING THE COMMISSIONER OF CONSUMER PROTECTION TO UNDERTAKE A STUDY OF OCCUPATIONAL LICENSING.

Note: the following statement is in no way a reflection on the DCP or its personnel. MCAC understands the budget and hiring restraints that haveexisted for a number of years and is merely attempting to express the frustrations of the legitimate contractors and licensed trades people who are competing with individuals who continue to cheat yet continue to get to work in Connecticut in spite of their cheating. Not only do these legitimate contractors and trades people lose, the state and its citizens lose.

This proposed bill is calling for a study for the main purpose of "eliminating occupational licenses that are not necessary to protect the public health or safety". MCAC is not aware of any unnecessary licenses that exist, however, **we believe that DCP should undertake a study of the occupational licensing statutes and regulations with the advice and assistance of contractors and journeymen in the licensed trades and other interested parties for the following purposes:**

- To determine if any license categories can be consolidated.

- To review policies and procedures regarding compliance with the laws and regulations to:
  (1) determine the **number of occupational licensing inspectors necessary to adequately protect the public health and safety;**
  (2) determine if a **simplified and standardized method of citing violators can be developed** to create an efficient and effective enforcement method, such as, designing a citation form (similar to a motor vehicle violation ticket for speeding, following too close, etc.) listing specific fines for first, second and subsequent offenses that can be issued on the spot for occupational licensing violations.
  (3) determine if **mandatory fines will encourage compliance with the laws.** Current fines can be waived or negotiated for any offense.(See C.G.S. Sec. 20-341 Penalties: Not more than $1,000 for 1st violation; not more than $1,500 for 2nd violation; not more than $3,000 for 3rd or subsequent violation within 3 yrs. after 2nd or subsequent violation) Note: person employed as apprentice improperly registered not penalized for 1st offense.

- To review current policies to **determine if DCP enforcement personnel are communicating with DOL and other agencies about violators** so the appropriate agencies can determine if other violations are occurring on the work site, i.e, code violations; contracting with an expired bond; failure of contractor to carry liability and workers' compensation insurance; misclassification of employees as independent contractors etc.. (Ref. P.A. 11-4)

- To determine **how the DCP can encourage municipal enforcement of the occupational licensing laws.** Most municipalities in the state are experiencing budget problems. Sec. 20-341(c) states that if a violation of the occupational licensing law is reported by a municipal building official (Sec. 29-261), **DCP must remit ½ of the amount collected for the violation to such municipality.** Increased enforcement by municipal officials could be a windfall for both the municipality and the state and would put (169 +-) inspectors on the street.

- To **review current policies to determine if there should be a single unit within one agency to provide enforcement of various laws impacting the construction industry**, i.e., occupational licensing, building and fire code violations, OSHA, misclassification of employees, hour/wage violations, etc. The **construction industry is unique because on major construction projects there can be as many as 60 to 70 contractors and subcontractors** involved making it ripe for violators. Some contractors may be on the site one day and gone for months, only to return at a later date. The project has a limited duration and so enforcement activity has to be intense at certain times. **A single unit of experts in construction practices and procedures would be able to target work sites at the appropriate times**. DOL has had some success in doing this and usually, if you find violations of labor laws at a job site, there are also violations of licensing and tax and insurance laws. The more coordinated the effort, the more success in stopping the violators and the greater protection of public safety.

- To review the ***Consumer Protection Enforcement Fund***, established under C.G.S. Sec. 21a-8a, to determine the total amount of fines deposited in the fund, under what statutes the fines were levied and where the funds were expended and if the expenses were related to enforcement for the past three fiscal years and in the proposed FY14-15 budget.

- To review the **purpose of the occupational licensing program**, which requires the person who wishes to obtain an occupational license to pay a fee and register as an apprentice with the DOL for four to five years before he or she can apply to take a test for a license. They pay for the test, pay an annual license fee, pay to obtain the continuing education required either annually or semi annually in order to renew the license (Annual license fees paid to the General Fund under C.G.S. Chapters 393, 393a and 393b total around $6 million) only to be unemployed because of the unlicensed (untrained) people that are cheating and getting the jobs. **The licensing laws were put on the books to protect the health and safety of the consumer but have turned into "a cash cow"** for the state. Although the state frowns on "special funds", in the interest of public safety, a checks and balance review should be performed and a meaningful income to expenditures ratio should be established. Then, when the state decides to raise license fees (which is done frequently) at **least the licensee knows that staying honest makes sense.**

The MCAC respectfully requests, that the General Law Committee institute a study of this vital area. I am not certain that a bill is absolutely necessary, however, I am certain that the need to do something is important. Thank you for your consideration.

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