

Testimony in Opposition to LD 1691: "An Act To Require Licensing for Certain Mechanical Trades"

Senator Curry, Representative Roberts, and the distinguished members of the Committee on Innovation, Development, Economic Advancement and Business, my name is Nick Murray and I serve as policy analyst for Maine Policy Institute, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify on LD 1691.

This bill is a rather ironic submission to the committee tasked with "innovation" and "economic advancement." It would summarily block many more Mainers from accessing work in their field, instead of truly encouraging career advancement and opportunity.

LD 1691 would require a handful of different mechanical trade occupations to obtain state license and certification which are not currently required to do so; licensure and licensees would be overseen by a new state "Mechanical Trades Board." It would place arbitrary time limits under which certain tradespeople would be considered an "apprentice," "journeyman," or "master." For instance, why do mechanical insulators need a 4-year apprenticeship but pipefitters or refrigerator techs need a 5-year program? Why do fire sprinkler system techs need more scrutiny than the law already currently has?

If it has not yet been answered, this committee should inquire as to how many incidents threatening to public health and safety arose from a lack of state licensing for these tradespeople. Exemptions in section 15323 call into question the reasoning that public safety requires additional state-level licensing and certification. It makes clear that service technicians who work for hospitals, schools, public utility companies or governmental entities would not have to abide by these additional rules and regulations. Are the safety of patients, schoolchildren, and utility customers less of a concern than that of the general public?

Though exemptions exist for workers who can show 2,000 billable hours, those looking to become new HVAC techs, for example, would need to complete, either five years as an apprentice plus passing the board's exam, or three years as an apprentice plus a technical trade college degree. Historically, unemployment has been considerably higher than the average for youth (age 16-24) and for those without a college degree.

¹ US Bureau of Labor Statistics

Licensing requirements such as those in this bill will contribute to a worsening situation for these struggling members of society.

Why require these hard-working people to get an additional license, on top of federal EPA certification, plus other state licenses that might apply to their skillset (such as that from the Fuel Board for HVAC techs), plus set time aside to attend unneeded training and take an unnecessary state exam? This is little more than state protectionism for a few industries that do not need to be protected. Competition is good for consumers and for workers.

This bill would simply make independent, self-employed contracting that much more difficult for the thousands of Mainers who choose to make their living in that fashion. By economic pressure—or more precisely, legislative coercion—these tradespeople would be pushed to join a union in order to practice their trade with the least regulatory hassle. This is not contributing to an equal playing field for workers.

The additional hurdles for skilled laborers to make a living will likely not reap benefits to the economy at large; they will simply delay needed earnings for workers attempting to make a better life for themselves and their families in Maine.

There are dozens, if not hundreds, of high-paying, skilled jobs for mechanical tradespeople, all over Maine. Just on the job-finder site, Indeed.com, 105 openings exist in Maine for HVAC technicians.² There is no need to further squeeze the market for labor in Maine with another onerous and arbitrary licensing regime.

As provided in earlier testimony to this committee, licensure is the most restrictive of all regulatory options and should only be required in instances where public health and safety are truly threatened. As shown below, a diagram of "The Inverted Pyramid" from the Institute for Justice highlights the myriad ways that consumers are protected from potentially harmful business practices outside of licensure, whether through certification, tort law, insurance, or market competition.³

It is likely that these trades have been operating in Maine for decades without need for licensure because of these other forces present in the marketplace. Please deem LD 1691 "Ought Not To Pass" and instead work to remove unnecessary barriers to a sustainable living for skilled workers in Maine. This will attract real innovation and economic development, the true challenge for this committee. Thank you for your time and consideration.

² https://www.indeed.com/g-HVAC-&-Appliance-Technicians-I-Maine-iobs.html?from=breadcrumbs

³ <u>The Inverted Pyramid: 10 Less Restrictive Alternatives to Occupational Licensing</u> | Institute for Justice, November 2017

The Inverted Pyramid: A Hierarchy of Alternatives to Licensing

Voluntary or Non-Regulatory Options	Market competition
	Quality service self-disclosure
	Voluntary, third-party professional certification and maintenance
	Voluntary bonding or insurance
Government Interventions	Private causes of action
	Deceptive trade practice acts
	Inspections
	Mandatory bonding or insurance
	Registration
	State certification
	Licensure