



**Request for City Council Committee Action  
From the Department of Operations & Regulatory Services**

Date May 14, 2002  
To Public Safety & Regulatory Services Committee

**Subject Amend Title 13, Chapter 277 of the Minneapolis Code of Ordinances relating to *Licenses and Business Regulations, Building Trades Licenses (277)*, eliminating the need for all examining boards for the building trades; eliminating competency cards for those categories not covered in Chapter 278, issued by the State of Minnesota, and/or no longer active.**

**Amend Title 13, Chapter 278 of the Minneapolis Code of Ordinances relating to *Licenses and Business Regulations, and Heating, Ventilating and Air Conditioning, Gasfitting, and Refrigeration Installers (278)*, to add secure validated testing, and issuance of competency cards for steam & hot water heating installers, oil burner installers and the gas portion of the plumber/gasfitter installers; and increase the surety bond and insurance for all licenses for these additional categories at the higher levels already required in sections 278.260 and 278.270.**

**Recommendation**

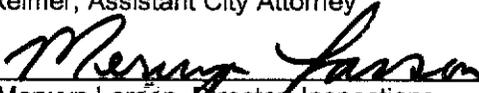
The Department of Operations & Regulatory Services recommends that the City Council amend Minneapolis Code of Ordinances, Chapters 277 and 278, as submitted so as to eliminate all examining boards for the building trades, eliminate competency cards for trade categories not covered in Chapter 278, issued by the State or no longer active. The Department of Operations and Regulatory Services also recommends to amend Minneapolis Code of Ordinances, Chapter 278, to provide secure validated testing and issuance of competency cards for steam & hot water heating installers, oil burner installers and the gas portion of the plumber/gasfitter installers; and increase the surety bond and insurance for these additional licenses categories.

**Previous Directives**

A special PS&RS meeting was set for Wednesday, May 15, 2002.

Prepared or Submitted by: Connie Fournier, Deputy Director, Construction Inspection Services  
Henry Reimer, Assistant City Attorney

Approved by:

  
Merwyn Larson, Director, Inspections

  
John Bergquist, Asst. City Coordinator & Director  
Operations & Regulatory Services

John Moir  
John Moir, City Coordinator

Presenters in Committee: Merwyn Larson, Director, Inspections

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (use any categories that apply)

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

**Background/Ordinance Revisions Attached**

In November, 1995 five non-union heating and air conditioning companies sued the City challenging the fairness and validity of competency testing by City appointed boards for heating, ventilating and air conditioning, gasfitting and refrigeration installers. Their suit stated that the City failed to serve the public interest and acted instead to reduce competition, resulting in increased prices and reduced job opportunities for Minneapolis residents. The lawsuit resulted in a court ordered settlement to establish secure, validated testing by an outside vendor for heating, ventilating and air conditioning, gasfitting and refrigeration installers.

Consequently, in March, 1998, Minneapolis Code of Ordinances, Chapter 277 was amended to eliminate those specified competency boards, and Chapter 278 was enacted to establish a secure, valid testing process administered by Human Resources using a qualified third party vendor for those specific trade categories. At the same time, the surety bond and insurance requirements for those licenses were raised to improve consumer protection.

Mayor Rybak's 90-day plan has focused on reforms for boards and commissions that regulate licensing. His office has asked for regulatory reforms including initiatives to ensure that the City conducts its business fairly and ethically, without conflicts of interest.

These ordinance amendments, introduced by Council President Ostrow, continue the reform process begun with the 1998 enactment of Chapter 278. They also support the Mayor's 90-day plan. The amendments include transferring steam and hot water, oil installers and the gas portion of plumbing installers to Chapter 278 so as to eliminate the boards and to establish validated testing for the applicable competency cards. All related City licenses included in Chapter 278 will require the increased surety bonding and insurance.

Since 1998 validated testing has been conducted successfully through a third party vendor for those trades covered in the current Chapter 278. Funds are still available and committed to develop and administer the additional tests recommended under these ordinance changes.

Also, effective April 1, 2000, the State of Minnesota, Department of Commerce, began regulating residential contractors. The State issues licenses for much of the work previously licensed under Minneapolis Code of Ordinances, Chapter 277, Article XVIII. This Article has not been amended to reflect the changes in state law. Revisions are recommended to locally license only residential specialty contractors not licensed by the State.

Several years ago the State Legislature formed the Construction Codes Advisory Council (CCAC) to streamline and better coordinate the administration and enforcement of codes on a statewide basis. In 2001, CCAC formed the Certification and Licensure Technical Advisory Group (TAG) to study issues related to certification, licensure and registration options relating to life safety and construction. These ordinance amendments follow the TAG's recommendation in that it focuses on life safety and gets us out of the regulation of areas already covered by the State.

In further review of Chapter 277, staff found certain license categories listed that were no longer active or also preempted by State statutes. Therefore, these categories are recommended for elimination. In Chapter 278, duct mechanics for grease duct cleaning had been included. Staff finds that no other city in the State regulates these contractors. Therefore, this category is recommended to be deleted from Chapter 278.

Attached is a matrix, which illustrates and explains the recommended ordinance amendments, based on the supporting background information.

The amended Minneapolis Code of Ordinances, Chapters 277 and 278 are also provided in their entirety.