



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Monday, August 29, 2022
Category:	NEW BUSINESS
Type:	INFO/ACTION
Subject:	HVAC License Fee
Background Information:	<p>State Building Code requires a building permit for practically all Heating, Ventilation, and Air Conditioning (HVAC) work with few exceptions. This includes all furnaces and A/C replacements, the most common type of HVAC work. However, unlike residential and plumbing contractors, HVAC contractors do not need a State License – only bond is required, which means that the State doesn't have any way of dealing with non-compliances. Consequently, staff has no recourse in cases when HVAC contractors do not apply for building permits or do not call for inspections, which is common.</p> <p>To rectify the situation, staff suggested implementing a local registration process for HVAC contractors. Only locally registered contractors will be permitted to work in the City, which may give local contractors an edge regarding their work in town. Some time ago, the City of Marshall had a local plumbing license provision, but it was repealed in 2011 to offset the cost of adding fees for plumbing permits because plumbing permits were free prior to the repeal. Several cities in the State of Minnesota have local registration/license process for HVAC contractors and they like it.</p> <p>At its August 23, 2022, meeting, Legislative and Ordinance committee approved proposed HVAC license ordinance and recommended moving it forward to the full council. Proposed Ordinance has a two-year cycle and suggested fee is \$50, just to cover expenses.</p>
Fiscal Impact:	Added fees to cover administrative costs for City's HVAC licenses.
Alternative/Variations:	None recommended.
Recommendations:	Add HVAC license fees to the current City Fee Resolution.