



**CITY OF MARSHALL  
AGENDA ITEM REPORT**

<b>Meeting Date:</b>	Tuesday, September 27, 2022
<b>Category:</b>	PUBLIC HEARING
<b>Type:</b>	INFO/ACTION
<b>Subject:</b>	Conduct Public Hearing and Adoption of Ordinance for HVAC License Ordinance – Chapter 22, Article 22-VII Mechanical and HVAC Construction, Sec. 22-211 Mechanical License
<b>Background Information:</b>	<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 Some time ago, the City of Marshall had a local plumbing license provision, but it was repealed in 2011 to offset the cost of adding fees for plumbing permits because plumbing permits were free prior to the repeal.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 &amp; 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. At its August 29, 2022, meeting, Ways and Means committee approved proposed fees.</p> <p>Attached is a proposed informational letter to be sent to mechanical contractors and a list of all HVAC contractors who have ever applied for a permit in Marshall.</p> <p>The New Ordinance Section 22-211 Mechanical License was introduced and called for Public Hearing at the September 13, 2022, City Council meeting.</p>
<b>Fiscal Impact:</b>	License fees will be collected to cover administrative expenses.
<b>Alternative/ Variations:</b>	None.
<b>Recommendations:</b>	<p>That the Council close the public hearing.</p> <p>That the Council adopt Ordinance No. 22-010 to establish a local HVAC license Chapter 22, Article 22-VII Mechanical and HVAC Construction, Sec. 22-211 Mechanical License).</p>