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# OHIO LEGISLATIVE SERVICE COMMISSION

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**S.B. 127\***  
**133<sup>rd</sup> General Assembly**

## Occupational Regulation Report

[Click here for S.B. 127's Bill Analysis / Fiscal Note](#)

**Primary Sponsors:** Sens. Uecker and Yuko

**Impacted Professions:** Elevator contractors and elevator mechanics

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LSC is required by law to issue a report for each introduced bill that substantially changes or enacts an occupational regulation. The report must: (1) explain the bill's regulatory framework in the context of Ohio's statutory policy of using the least restrictive regulation necessary to protect consumers, (2) compare the regulatory schemes governing the same occupation in other states, and (3) examine the bill's potential impact on employment, consumer choice, market competition, and cost to government.<sup>1</sup>

## SUMMARY OF PROPOSED REGULATIONS

The bill requires licensure of individuals and entities that erect, construct, install, alter, service, repair, dismantle, remove, or maintain passenger and freight elevators, escalators, moving walks, and automated people movers ("conveyances"). These conveyance services licenses would be administered by the Division of Industrial Compliance within the Department of Commerce. The bill also establishes minimum insurance requirements for elevator contractors and revises existing inspection requirements for elevators in private residences.

For a full explanation of the bill's provisions, see the [S.B. 127 Bill Analysis](#).

### Licensing requirements

The bill creates four new occupational licenses: an elevator mechanic's license, an elevator contractor's license, an emergency elevator mechanic's license, and a temporary elevator mechanic's license (see the table below). Elevator mechanic's licenses and the elevator

\*This report addresses the "As Introduced" version of S.B. 127. It does not account for changes that may have been adopted after the bill's introduction.

<sup>1</sup> R.C. 103.26, not in the bill.

contractor's licenses may be obtained at any time by application to the Division. Emergency elevator mechanic's licenses are available only if the Division determines that an emergency exists due to a disaster or work stoppage and that there are insufficient licensed mechanics to respond to the event. Temporary elevator mechanic's licenses are available if the Division is notified by an elevator contractor that there are no licensed elevator mechanics available to provide conveyance services.

The requirements and qualifications for obtaining or renewing each license are as follows:

<b>Table 1. Conveyance Licenses</b>			
	<b>Elevator mechanic's license</b>	<b>Elevator contractor's license</b>	<b>Emergency and temporary elevator mechanic's licenses</b>
<b>Description</b>	Permits an individual to perform conveyance services and electrical work on conveyances.	Permits a business entity, which may be a sole proprietorship, to engage in the business of providing conveyance services.	Permitted to perform the same conveyance services as an individual with an elevator mechanic's license.
<b>Qualifications</b>	<p>Must demonstrate 1 of the following<sup>2</sup>:</p> <ol style="list-style-type: none"> <li>1. Acceptable combination of documented experience and education credits, including 3 years of work experience and completion of a written examination;</li> <li>2. Acceptable proof of working as an elevator construction, maintenance, or repair person without direct supervision for at least 3 years immediately prior to the bill's effective date;</li> </ol>	<p>Must either:</p> <ol style="list-style-type: none"> <li>1. Employ a licensed elevator mechanic and have proof of compliance with the bill's insurance requirements; or</li> <li>2. Hold a valid license from a state with similar licensure standards.<sup>3</sup></li> </ol>	<p>Must have acceptable combination of documented experience and education to perform services without direct supervision, as attested by a licensed elevator contractor.<sup>4</sup></p>

<sup>2</sup> R.C. 4785.04(D).

<sup>3</sup> R.C. 4785.04(F) and 4785.07.

<sup>4</sup> R.C. 4785.05 and 4785.051.

Table 1. Conveyance Licenses			
	Elevator mechanic's license	Elevator contractor's license	Emergency and temporary elevator mechanic's licenses
	<p>3. Certificate of completion or other evidence of passing the mechanic's examination of a nationally recognized training program;</p> <p>4. Certificate of completion of apprenticeship program for elevator mechanics; or</p> <p>5. Valid license from a state with similar licensure standards.</p>		
<b>Other conditions</b>	<p>Must not have been convicted of or pleaded guilty to a crime of moral turpitude or a disqualifying offense.</p> <p>Must not have demonstrated incompetence or untrustworthiness.</p> <p>Must not have committed fraud or violated other statutes or administrative rules specified by the bill.<sup>5</sup></p>	<p>Must present proof of insurance coverage of at least \$1 million for injury or death and \$500,000 for property damage in any 1 occurrence and of workers' compensation insurance.<sup>6</sup></p>	<p>The Division of Industrial Compliance must determine that an emergency or a shortage of licensed mechanics exists before such licenses may be issued.</p>

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<sup>5</sup> R.C. 4785.04(E).

<sup>6</sup> R.C. 4785.07.

<b>Table 1. Conveyance Licenses</b>			
	<b>Elevator mechanic's license</b>	<b>Elevator contractor's license</b>	<b>Emergency and temporary elevator mechanic's licenses</b>
<b>Application and license renewal fees<sup>7</sup></b>	Fee schedules established by rule of the Superintendent of Industrial Compliance.	Fee schedules established by rule of the Superintendent.	Division prohibited from charging fee for emergency elevator mechanic's license.  Division establishes an application fee for a temporary elevator mechanic's license.
<b>Post-licensure requirements</b>	Complete at least 8 hours of continuing education within 1 year immediately preceding license renewal. <sup>8</sup>	N/A.	N/A.
<b>License term</b>	Valid for 2 years and is renewable. <sup>9</sup>	Valid for 2 years and is renewable. <sup>10</sup>	Emergency license valid for 45 days and renewable for duration of the state of emergency.  Temporary license valid only while the licensee is employed by elevator contractor and is renewable. <sup>11</sup>

## **Insurance requirement**

As indicated in the table above, the bill requires elevator contractors to carry liability insurance coverage of at least \$1 million for injury or death of any number of people involved in any one occurrence and \$500,000 for property damage in any one occurrence. It also requires elevator contractors to have workers' compensation insurance coverage.<sup>12</sup>

<sup>7</sup> R.C. 4785.08.

<sup>8</sup> R.C. 4785.041.

<sup>9</sup> R.C. 4785.04(H).

<sup>10</sup> *Id.*

<sup>11</sup> R.C. 4785.05(E) and 4785.051(C).

<sup>12</sup> R.C. 4785.04(F) and 4785.07.

## Inspection requirement

The bill modifies the inspection regime that applies to elevators in private residences. Current law requires inspections twice each year unless the Board of Building Standards permits a reduction in frequency. Under the bill, elevators in private residences need only be inspected for an initial certificate of inspection and then subsequently if title to the private residence is transferred.<sup>13</sup> In most cases, the result of this policy change will be a reduction in the frequency of inspections.

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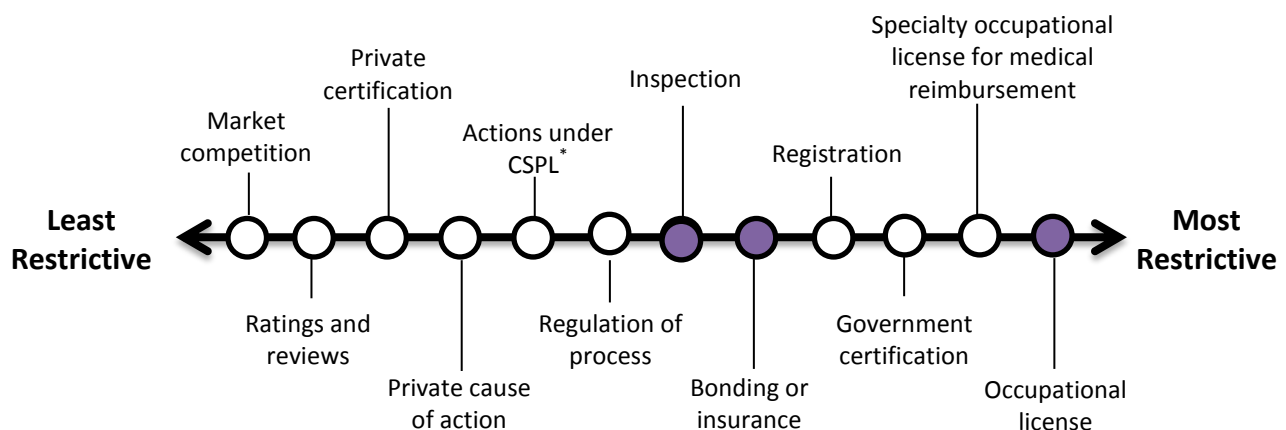
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## LEAST RESTRICTIVE REGULATION COMPARISON

### Ohio's general regulatory policy

The general policy of the state is reliance on market competition and private remedies to protect the interests of consumers in commercial transactions involving the sale of goods or services. For circumstances in which the General Assembly determines that additional safeguards are necessary to protect consumers from “present, significant, and substantiated harms that threaten health, safety, or welfare,” the state’s expressed intent is to enact the “least restrictive regulation that will adequately protect consumers from such harms.”<sup>14</sup>

The degree of “restrictiveness” of an occupational regulation is prescribed by statute. The following graphic identifies each type of occupational regulation expressly mentioned in the state’s policy by least to most restrictive:



\*CSPL – The Consumer Sales Practices Law

### Necessity of regulations

Senators Uecker and Yuko, the bill’s sponsors, testified that the safety of those who install and those who use conveyances is the top concern addressed by the bill’s regulations.<sup>15</sup>

<sup>13</sup> R.C. 4105.101.

<sup>14</sup> Section 3 of the bill and R.C. 4798.01 and 4798.02, neither in the bill.

<sup>15</sup> See Senators Uecker and Yuko, [Senate Bill 127 Sponsor Testimony](#), May 8, 2019.

This concern is repeated in the text of the bill, which states that the General Assembly’s intent “is to provide for the safety of installers, maintainers, and users of elevators and other conveyances, as well as to promote public safety awareness.” “The use of unsafe and defective lifting devices,” the bill states, “imposes a substantial probability of serious and preventable injury to employees and the public.” The bill further states that “prevention of these injuries and protection of employees and the public from unsafe conditions is in the best interest of the people” of Ohio.<sup>16</sup>

### **Licensure requirement**

Licensure is the most restrictive of all regulatory options identified within the state’s continuum of regulations. Accordingly, the state’s policy prescribes a narrow range of situations in which required licensure is appropriate; specifically, when all of the following circumstances are present: (1) the occupation involves providing a service regulated by both state and federal law, (2) the licensing framework allows individuals licensed in other states and territories to practice in Ohio, and (3) the licensing requirement is based on uniform national laws, practices, and examinations that have been adopted by at least 50 U.S. states and territories.<sup>17</sup>

Elevator safety and building standards generally are regulated within all 50 states to varying degrees and specifications. At least 33 states statutorily prescribe elevator mechanic licensing programs.<sup>18</sup> The bill permits an individual licensed in another state with “substantially equal” licensure standards to obtain a license in Ohio without additional training or examination.<sup>19</sup> The bill is based on Revision 1 of National Elevator Industry, Inc.’s (NEI) Model Elevator Law. According to the NEI, adoption of the codes would foster innovation with state-of-the-art elevator technology while maintaining or exceeding the safety requirements under the Safety Code for Elevator and Escalators developed by the American Society of Mechanical Engineers.<sup>20</sup>

### **Insurance requirement**

The state’s policy provides that an insurance requirement is appropriate when the intention of the regulation is to protect against externalities such as damages to third parties that are not the buyer or the seller.<sup>21</sup> The bill’s requirement that elevator contractors carry insurance for injury, death, or property damage as well as workers’ compensation insurance coverage appears to be consistent with this policy.

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<sup>16</sup> Section 3 of the bill.

<sup>17</sup> R.C. 4798.02, not in the bill.

<sup>18</sup> <https://nationalelevatorindustry.org/milestone-elevator-safety-legislation-becomes-law-in-louisiana/>.

<sup>19</sup> R.C. 4785.04(D)(4), (D)(5), and (F)(2).

<sup>20</sup> <https://nationalelevatorindustry.org/wp-content/uploads/2019/02/Model-Code-Info-Sheet.pdf>.

<sup>21</sup> R.C. 4798.02(B)(3), not in the bill.

## Inspection requirement

The state's policy provides that an inspection requirement is appropriate when the intention of the regulation is to "protect consumers against unsanitary facilities and general health, safety, or welfare concerns."<sup>22</sup> The inspection requirement for elevators in private residences appears to address public safety and is, therefore, consistent with the state's policy. Whether the reduced number of inspections prescribed by the bill is sufficient to protect public safety is a policy judgment.

## Other regulatory policies

The bill supplements a fairly substantial regulatory framework that currently applies to the installation and repair of conveyance systems. That framework includes a requirement that contractors submit an application to the Division of Industrial Compliance before installing a new elevator or moving an existing elevator to a new location and periodic inspection requirements for all conveyances.<sup>23</sup> Ohio law does not contain a general statement explaining the state's intent in regulating elevator mechanics and contractors. However, such a statement is included in Section 3 of the bill.

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## OTHER STATE POLICIES

Four states bordering Ohio (Indiana, Kentucky, Michigan, and West Virginia) statutorily require occupational licenses for elevator inspectors, mechanics, or contractors. Only Pennsylvania has no statutory license requirements for these occupations, instead requiring the Elevator Safety Board within Pennsylvania's Department of Labor and Industry to administer conveyance installation and repair processes in the state.<sup>24</sup> See the **APPENDIX** for a comparison of the licensure requirements in Indiana, Kentucky, Michigan, and West Virginia.

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## IMPACT STATEMENT

### Opportunities for employment

Under S.B. 127, employment opportunities for working on conveyances is restricted to those who are able and willing to obtain and maintain an appropriate license. The bill lessens disruptions to the labor market by allowing individuals who have at least three years of unsupervised work experience in the elevator industry immediately prior to the bill's effective date to obtain a license without following the bill's other avenues to obtain licensure, although these individuals must still pay a license fee and not have been convicted of a crime of moral turpitude or committed another offense that is deemed disqualifying by the Superintendent of Industrial Compliance.

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<sup>22</sup> R.C. 4798.02(B)(2), not in the bill.

<sup>23</sup> R.C. 4105.011, 4105.10, and 4105.16, not in the bill.

<sup>24</sup> 35 Pennsylvania Statutes (P.S.) § 7210.105 and 71 P.S. § 574.1.

## **Consumer choice and market competition**

The bill may reduce the number of elevator contractors providing services in Ohio if any existing contractors are unable or unwilling to meet the bill's requirements for licensure. This would have the effect of reducing both consumer choice and market competition. The bill's insurance requirements may cause the business environment for elevator services to favor larger companies. The bill guards against a shortage of elevator mechanics by allowing the issuance of emergency or temporary licenses if necessary.

## **Cost to government**

For the costs to government see the [LBO fiscal note](#).

## **Reciprocity**

The bill may allow an individual with an Ohio elevator mechanic or elevator contractor license to obtain a similar license in Indiana and Kentucky and vice versa, as those states have similar reciprocity statutes.<sup>25</sup>

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<sup>25</sup> Indiana Statutes Annotated §§ 22-15-5-7 and 22-15-5-12 and Kentucky Revised Statutes § 198B.4017.



## APPENDIX

Table 2. Elevator Mechanic and Elevator Contractor Licensure in Surrounding States

State	Occupational license or certificate	Licensure qualifications	Fees and insurance	Other requirements and information
Indiana <sup>26</sup>	Elevator mechanic's license	<p>Must satisfy 1 of the following:</p> <ol style="list-style-type: none"> <li>1. Hold an active elevator mechanic's license issued by another state that has equivalent or more vigorous licensing standards (as determined by the Indiana Fire Prevention and Building Safety Commission).</li> <li>2. Successfully complete a written competency examination and have at least 1 of the following: <ul style="list-style-type: none"> <li>- At least 3 years of documented work experience in construction, maintenance, and service or repair within the elevator industry;</li> <li>- At least 18 months of documented work experience in the elevator industry and at least 3 years of experience in a related field; or</li> <li>- Completed an apprenticeship program registered with the U.S. Bureau of Apprenticeship and Training or a state</li> </ul> </li> </ol>	<p>\$100 fee for initial license or license renewal.</p> <p>No insurance requirement.</p>	<p>Must complete 8 hours of continuing education instruction within 1 year before license renewal.</p>

<sup>26</sup> Ind. Stat. Ann. §§ 22-15-5-7, 8, 11, 12, 13, 14, and 15; 675 Ind. Admin. Code § 13-3-15.

**Table 2. Elevator Mechanic and Elevator Contractor Licensure in Surrounding States**

State	Occupational license or certificate	Licensure qualifications	Fees and insurance	Other requirements and information
	Elevator contractor's license	<p>apprenticeship program that is equivalent to at least 3 years of work experience in the elevator industry.</p> <p>3. Successfully complete an elevator mechanic's program that consists of a combination of extensive training and a comprehensive examination approved by the Commission.</p> <p>Must satisfy 1 of the following:</p> <ol style="list-style-type: none"> <li>1. Hold a valid elevator contractor's license issued by another state that has equivalent or more vigorous licensing standards (as determined by the Commission).</li> <li>2. Have at least 5 years of documented work experience in the elevator industry and successfully complete a written competency examination approved by the Commission.</li> </ol>	<p>\$500 fee for initial license or renewal.</p> <p>Must file a certificate of insurance proving the applicant has general liability coverage of at least \$1 million for injury or death, and \$500,000 for property damage.</p>	<p>Must provide proof of worker's compensation coverage.</p> <p>Must complete 8 hours of continuing education instruction within 1 year before license renewal.</p>

Table 2. Elevator Mechanic and Elevator Contractor Licensure in Surrounding States

State	Occupational license or certificate	Licensure qualifications	Fees and insurance	Other requirements and information
	Elevator inspector's license	Must meet the standards set forth in the American Society of Mechanical Engineers American National Standard QE1 or other nationally accepted standard qualifying authority that the Commission has determined has equivalent requirements for obtaining and retaining certification.	\$100 fee for initial license or renewal.  Must prove the applicant has general liability coverage of at least \$1 million for injury or death, and \$500,000 for property damage.	Must complete 8 hours of continuing education instruction within 1 year before license renewal.
	Temporary or emergency elevator mechanic's licenses	Must provide sufficient documented experience and education to perform elevator construction, maintenance, or service and repair.	\$100 fee for license.	Both licenses are valid for 60 days.  The emergency license may be renewed twice.
Kentucky <sup>27</sup>	Elevator mechanic's license or accessibility and residential elevator mechanic's license	Must satisfy 1 or more of the following: <ol style="list-style-type: none"> <li>1. Pass a written, oral, or computerized examination administered by the Kentucky Department of Housing, Buildings and Construction and demonstrate: <ul style="list-style-type: none"> <li>- At least 3 years of work experience in the elevator industry if the applicant is seeking an elevator mechanic's license; or</li> </ul> </li> </ol>	\$96 annual license fee.	Must complete at least 8 hours of continuing education annually.

<sup>27</sup> Ken. Rev. Stat. §§ 198B.400, 4003, 4009, 4011, 4013, 4015, 4017, 4019, 4021, 4023, 4025, and 410; 815 Ky. Admin. Regs. § 4:030.

Table 2. Elevator Mechanic and Elevator Contractor Licensure in Surrounding States

State	Occupational license or certificate	Licensure qualifications	Fees and insurance	Other requirements and information
		<p>- At least 1 year of work experience in the elevator industry if the applicant is seeking an accessibility and residential elevator mechanic's license.</p> <p>2. Have at least 3 years of work experience without direct and immediate supervision as an elevator constructor, maintenance, or repair person immediately prior to July 1, 2012.<sup>28</sup></p> <p>3. Provide a certificate of completion from a nationally recognized training program for the elevator industry.</p> <p>4. Provide certificate of completion of an apprenticeship program for elevator mechanics, having standards substantially equal to Kentucky licensure requirements and proof of registration with the U.S. Bureau of Apprenticeship and Training.<sup>29</sup></p>		

<sup>28</sup> Ken. Rev. Stat. § 198B.4015. Only applies to individuals who applied to the Kentucky Department of Housing, Buildings and Construction for a license prior to July 1, 2012.

<sup>29</sup> May include a program from the NEI Educational Program or the National Association of Elevator Contractors.



Table 2. Elevator Mechanic and Elevator Contractor Licensure in Surrounding States

State	Occupational license or certificate	Licensure qualifications	Fees and insurance	Other requirements and information
	Fixed guideway systems inspector's certificate	<p>Must provide academic credentials, a list of the applicant's employers, periods of employment, and a list of previously held positions.</p> <p>Must successfully complete a written examination about construction, installation, operation, maintenance, and repair of fixed guideway systems, which includes elevators.</p>	\$10 application fee.	N/A.
Michigan <sup>30</sup>	Elevator journeyman license	<p>Must satisfy 1 of the following:</p> <ol style="list-style-type: none"> <li>Have at least 3 years of experience in either: <ul style="list-style-type: none"> <li>- Elevator contractor work of supervising installation or repair; or</li> <li>- Installation, alteration, maintenance, repair, servicing, inspecting, or adjusting elevator equipment.<sup>31</sup></li> </ul> </li> <li>Successfully pass an examination approved by the Michigan Elevator Safety</li> </ol>	<p>\$100 examination fee.</p> <p>\$40 fee for initial license and renewal.<sup>32</sup></p>	License may be renewed annually.

<sup>30</sup> Michigan Compiled Laws §§ 338.2155, 338.2156, 338.2157, 338.2158, 408.802, 408.803, 408.807, 408.808, 408.810, 408.812, 408.813, 408.814, 408.814a, 408.815, and 408.816.

<sup>31</sup> A degree in electrical or mechanical engineering from a recognized college or university may be considered the equivalent of one year toward qualification for a journeyman license.

<sup>32</sup> Fee rates for elevator journeyman license.

Table 2. Elevator Mechanic and Elevator Contractor Licensure in Surrounding States

State	Occupational license or certificate	Licensure qualifications	Fees and insurance	Other requirements and information
	Elevator contractor's license	Board and prove 3 years of continuous employment as a supervisor of elevator construction or service, or as an elevator constructor, serviceperson, maintenance person or repairperson.  Must have 5 years of experience as an elevator constructor or journeyman, or the equivalent.	\$100 fee for initial license or renewal. <sup>33</sup>  Have liability insurance of at least \$1 million for each occurrence and at least \$2 million in the aggregate.	N/A.
	General and special inspector's licenses	For a general inspector's license, must have 3 years of experience in elevator construction or the equivalent and hold a general certificate of competency issued by the Director of the Michigan Department of Labor.  For a special inspector's license, must have 3 years of experience in designing, installing, maintaining, or inspecting elevators and hold a special certificate of competency issued by the Director.	N/A.  N/A.	N/A.  N/A.

<sup>33</sup> Fee rates for elevator contractor license.

Table 2. Elevator Mechanic and Elevator Contractor Licensure in Surrounding States

State	Occupational license or certificate	Licensure qualifications	Fees and insurance	Other requirements and information
West Virginia <sup>34</sup>	Elevator mechanic's license	<p>Must do 1 of the following:</p> <ol style="list-style-type: none"> <li>1. Successfully complete educational programs that are registered with the U.S. Bureau of Apprenticeship and Training, including all required examinations and work experience.</li> <li>2. Provide the West Virginia Commissioner of the Division of Labor with an acceptable combination of documented experience and educational credits, including: <ul style="list-style-type: none"> <li>- At least 4 years of active experience in the elevator industry; and</li> <li>- A minimum score of 70% on a written competency examination approved or provided by the Division.</li> </ul> </li> </ol>	\$180 fee for initial license or renewal (2 year license duration).	N/A.
	Accessibility technician's license	<p>Must do 1 of the following:</p> <ol style="list-style-type: none"> <li>1. Complete an accessibility training program.</li> <li>2. Have at least 18 months of experience in construction, maintenance, or service and</li> </ol>	\$180 fee for initial license or renewal (2 year license duration).	N/A.

<sup>34</sup> West Virginia Code §§ 21-3C-1, 2, 10a, 10b, and 11; W. Va. Code of State Rules §§§ 42-21-11 and 42-21A-15.



Table 2. Elevator Mechanic and Elevator Contractor Licensure in Surrounding States				
State	Occupational license or certificate	Licensure qualifications	Fees and insurance	Other requirements and information
	Limited technician's license <sup>35</sup>	<p>repair of elevators; at least 1 year of vocational training or an associate's degree in a related field; and obtain a minimum score of 70% on a written competency examination.</p> <p>Must do 1 of the following:</p> <ol style="list-style-type: none"> <li>1. Complete a certified apprenticeship program registered by the U.S. Department of Labor.</li> <li>2. Have at least 3 years of documented work experience, sufficient educational credits, and obtain a minimum score of 70% on a written competency examination.</li> </ol>	\$180 fee for initial license or renewal (2 year license duration).	N/A.
	Elevator inspector certification	Must complete a Qualified Elevator Inspector examination from an organization approved by the Commissioner and hold a certificate of competency for elevator inspections issued by the Division.	\$10 annual fee for certificate of competency.	N/A.

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<sup>35</sup> A person holding a limited technician license may only perform work at a historic resort hotel.