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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 107*
134th General Assembly

Occupational Regulation Report

[Click here for H.B. 107's Bill Analysis / Fiscal Note](#)

Primary Sponsor: Rep. Baldrige

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.¹

LEAST RESTRICTIVE REGULATION COMPARISON

Ohio's general regulatory policy

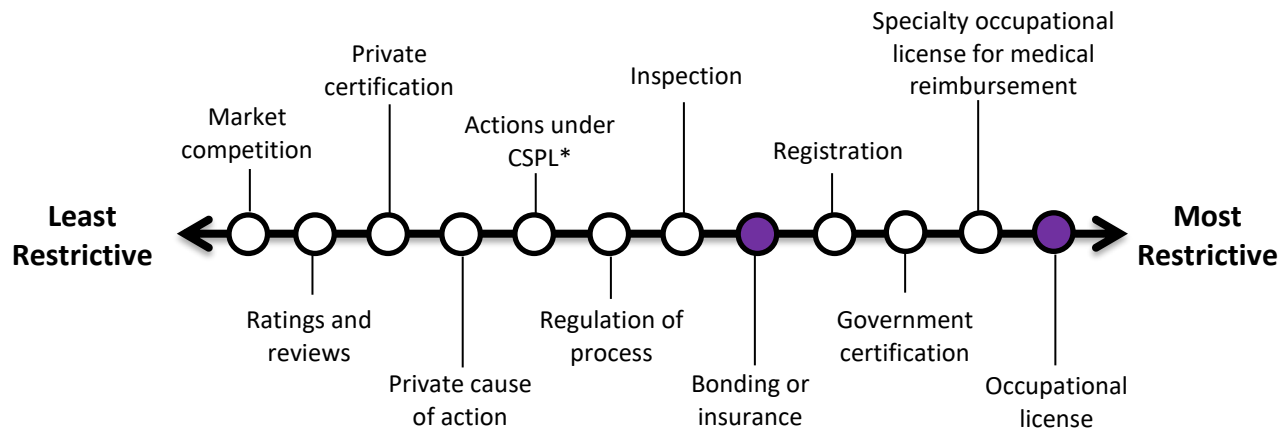
The general policy of the state is reliance on market competition and private remedies to protect the interests of consumers in commercial transactions involving the sale of goods or services. For circumstances in which the General Assembly determines that additional safeguards are necessary to protect 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."²

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:

* This report addresses the "As Introduced" version of H.B. 107. It does not account for changes that may have been adopted after the bill's introduction.

¹ R.C. 103.26, not in the bill.

² R.C. 4798.01 and 4798.02, neither in the bill.



*CSPL – The Consumer Sales Practices Law

The bill increases the restrictiveness of conveyance industry regulations by requiring licensure of elevator mechanics and elevator contractors and requiring elevator contractors to purchase and maintain liability insurance as a condition of licensure. It decreases the restrictiveness of regulations by exempting residential elevators from biennial inspection requirements.

Necessity of regulations

Representative Baldrige, the bill's sponsor, testified that the bill's regulations are intended to ensure the safety of the conveyance-riding public. Continuing law requires passenger elevators, escalators, moving walks, and freight elevators to be inspected twice each year (though the Board of Building Standards can reduce the frequency for certain low-capacity passenger elevators). Permanently installed power dumb-waiters, hoists, and other lifting and lowering apparatus that are not designed to carry people must be inspected once each year. Representative Baldrige praised the effectiveness of the state's inspection process but contended that additional safeguards are necessary to address safety between inspections. He noted that the majority of states require licensure of elevator mechanics.³

The public safety concerns identified in Representative Baldrige's testimony are also expressed in the bill. The bill 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.⁴

³ See Representative Brian Baldrige, [House Bill 107 Sponsor testimony](#), March 3, 2021; and R.C. 4105.10.

⁴ R.C. 4785.021.

Restrictiveness of regulations

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.⁵

Elevator safety and building standards are regulated within all 50 states to varying degrees and specifications. According to proponent testimony offered by Chelsea Chaney of the National Elevator Industry, Incorporated (NEII), 36 states require licensure of elevator mechanics.⁶ 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.⁷ The bill appears to be based on the first revision of the NEII's model elevator law. According to the NEII, 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.⁸ The number of states and territories that have adopted NEII's model elevator law is not readily apparent. Though, in light of the organization's sponsor testimony, it appears that fewer than 50 states and territories have done so.

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.⁹ 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. It enhances the likelihood that persons injured due to negligent elevator installation and maintenance will be compensated for their damages.

Other regulatory policies

The bill supplements an established 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

⁵ R.C. 4798.02, not in the bill.

⁶ Chelsea Chaney, NEII, [Statement of the NEII Submitted to the Committee on Commerce and Labor](#), March 24, 2021.

⁷ R.C. 4785.04(D)(4), (D)(5), and (F)(2).

⁸ NEII, [Model Safety Codes](#).

⁹ R.C. 4798.02(B)(3), not in the bill.

elevator or moving an existing elevator to a new location and periodic inspection requirements for all conveyances.¹⁰ 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 the bill.¹¹

IMPACT STATEMENT

Opportunities for employment

Prohibiting companies and individuals from providing conveyance services without a state-issued license may reduce opportunities for employment. The degree to which the bill might reduce such opportunities depends significantly on decisions made by the Department of Commerce's Division of Industrial Compliance, the state entity that would issue the licenses. The bill allows the Division to set the amount of any application fees and determine the written examination that would serve as one possible method for verifying the applicant's knowledge; either of these elements of the regulatory environment could be made more stringent, or less, and could accordingly serve to reduce any effect on employment opportunities, or enlarge it. Besides these elements, the bill's requirement that licenses be renewed every two years and that mechanics participate in eight hours of continuing education in conveyance mechanics prior to renewal may also serve to reduce such opportunities. The provision for issuance of emergency licenses would serve to mitigate any effects on such opportunities.

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 its requirements for licensure. This would have the effect of reducing both consumer choice and market competition. The bill requires contractors to furnish insurance equal to \$1 million per occurrence for injury or death for any number of individuals and at least \$500,000 for property damage per occurrence. The bill's insurance requirements may cause the business environment for elevator services to favor larger companies. Any fees charged by the Division of Industrial Compliance, as well as any increase in business costs due to insurance regulations, may be passed on to the consumers of elevator maintenance services, to the extent that the demand for those services permits it.

Cost to government

For information on the bill's cost to government, refer to [LBO's fiscal note](#).

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

¹⁰ R.C. 4105.011, 4105.10, and 4105.16, not in the bill.

¹¹ R.C. 4785.021.

Commerce. The bill also establishes minimum insurance requirements for elevator contractors and exempts elevators installed in private residences from existing inspection requirements.

For a full explanation of the bill's provisions, see the H.B. 107 [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 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.

Conveyance Licenses			
	Elevator Mechanic's License	Elevator Contractor's License	Emergency and Temporary Elevator Mechanic's Licenses
Description	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.
Qualifications	Must demonstrate one of the following: <ol style="list-style-type: none"> Acceptable combination of documented experience and education credits, including three years of work experience and completion of a written examination; 	Must either: <ol style="list-style-type: none"> Employ a licensed elevator mechanic and have proof of compliance with bill's insurance requirements; or Hold a valid license from a state with similar licensure standards.¹³ 	Must have acceptable combination of documented experience and education to perform services without direct supervision, as attested by a licensed elevator contractor. ¹⁴

¹³ R.C. 4785.04(F) and 4785.07.

¹⁴ R.C. 4785.05 and 4785.051.

Conveyance Licenses			
	Elevator Mechanic's License	Elevator Contractor's License	Emergency and Temporary Elevator Mechanic's Licenses
	<p>2. Acceptable proof of working as an elevator construction, maintenance, or repair person without direct supervision for at least three years immediately prior to bill's effective date;</p> <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.¹²</p>		
Other conditions	<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 present proof of insurance coverage of at least \$1 million for injury or death and \$500,000 for property damage in any one occurrence and of workers' compensation insurance.¹⁶</p>	<p>Division must determine that an emergency or a shortage of licensed mechanics exists before such licenses may be issued.</p>

¹² R.C. 4785.04(D).

¹⁶ R.C. 4785.07.

Conveyance Licenses			
	Elevator Mechanic's License	Elevator Contractor's License	Emergency and Temporary Elevator Mechanic's Licenses
	Must not have committed fraud or violated other statutes or administrative rules specified by the bill. ¹⁵		
Application and license renewal fees ¹⁷	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.
Post-licensure requirements	Complete at least eight hours of continuing education within one year immediately preceding license renewal. ¹⁸	N/A	N/A
License term	Valid for two years and is renewable. ¹⁹	Valid for two years and is renewable. ²⁰	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. ²¹

¹⁵ R.C. 4785.04(E).

¹⁷ R.C. 4785.08.

¹⁸ R.C. 4785.041.

¹⁹ R.C. 4785.04(H).

²⁰ R.C. 4785.04(H).

²¹ R.C. 4785.05(E) and 4785.051(C).

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.²²

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 are exempt from those inspection requirements.²³

²² R.C. 4785.04(F) and 4785.07.

²³ R.C. 4105.10 and 4785.019(A)(23).

COMPARISON TO OTHER STATES

All of the surrounding states require licensure of elevator mechanics, and all but West Virginia require licensure of elevator contractors. Qualifications for licensure in the surrounding states are generally on par with those proposed under the bill. The table below summarizes each state's licensure requirements in more detail.

Elevator Mechanic and Elevator Contractor Licensure in Surrounding States				
State	Occupational License or Certificate	Licensure Qualifications	Fees and Insurance	Other Requirements and Information
Indiana ²⁴	Elevator mechanic's license	Must satisfy one of the following: <ol style="list-style-type: none"> 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); 2. Successfully complete a written competency examination and have at least one of the following: <ol style="list-style-type: none"> a. At least three years of documented work experience in construction, maintenance, 	\$100 fee for initial license or license renewal. No insurance requirement.	Must complete eight hours of continuing education instruction within one year before license renewal.

²⁴ Ind. Stat. Ann. §§ 22-15-5-7, 8, 11, 12, 13, 14, and 15; 675 Ind. Admin. Code § 12-3-15.

Elevator Mechanic and Elevator Contractor Licensure in Surrounding States				
State	Occupational License or Certificate	Licensure Qualifications	Fees and Insurance	Other Requirements and Information
		<p>and service or repair within the elevator industry;</p> <p>b. At least 18 months of documented work experience in the elevator industry and at least three years of experience in a related field; or</p> <p>c. Completed an apprenticeship program registered with the U.S. Bureau of Apprenticeship and Training or a state apprenticeship program that is equivalent to at least three 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>		

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>Must satisfy one of the following:</p> <ol style="list-style-type: none"> 1. Hold a valid elevator contractor’s license issued by another state that has equivalent or more vigorous licensing standards (as determined by the Indiana Department or the Fire Prevention and Building Safety Commission to be equivalent to Indiana’s); 2. Have at least five years of documented work experience in the elevator industry and successfully complete a written competency examination approved by the Commission. 	<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 workers’ compensation coverage.</p> <p>Must complete eight hours of continuing education instruction within one year before license renewal.</p>
	Temporary or emergency elevator mechanic’s licenses	<p>Must provide sufficient documented experience and education to perform elevator construction, maintenance, or service and repair.</p>	<p>\$100 fee for license.</p>	<p>Both licenses are valid for 60 days.</p> <p>The emergency license may be renewed twice.</p>

Elevator Mechanic and Elevator Contractor Licensure in Surrounding States				
State	Occupational License or Certificate	Licensure Qualifications	Fees and Insurance	Other Requirements and Information
Kentucky ²⁵	Elevator mechanic's license or accessibility and residential elevator mechanic's license	<p>Must satisfy one or more of the following:</p> <ol style="list-style-type: none"> 1. Pass a written, oral, or computerized examination administered by the Kentucky Department of Housing, Buildings, and Construction and demonstrate: <ol style="list-style-type: none"> a. At least three years of work experience in the elevator industry if the applicant is seeking an elevator mechanic's license; or b. At least one year of work experience in the elevator industry if the applicant is seeking an accessibility and residential elevator mechanic's license. 	\$96 annual license fee.	Must complete at least eight hours of continuing education annually.

²⁵ Ky. Rev. Stat. §§ 198B.400, 4003, 4009, 4011, 4013, 4015, 4017, 4019, 4021, 4023, 4025, and 410; 815 Ky. Admin. Regs. § 4:030.

Elevator Mechanic and Elevator Contractor Licensure in Surrounding States				
State	Occupational License or Certificate	Licensure Qualifications	Fees and Insurance	Other Requirements and Information
		<p>2. Have at least three years of work experience without direct and immediate supervision as an elevator constructor, maintenance, or repair person immediately prior to July 1, 2011;²⁶</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.²⁷</p>		

²⁶ Ky. 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.

²⁷ May include a program from the NEII Educational Program or the National Association of Elevator Contractors.

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	Must provide the following: <ol style="list-style-type: none"> 1. The number of years engaged in the business of installing, maintaining, or servicing elevators; 2. The approximate number of persons to be employed by the contractor; 3. Proof of general liability, personal injury, and property damage insurance; 4. Criminal record of convictions, if any, as verified by criminal background checks; 5. Proof the contractor will employ or is employing a licensed elevator mechanic. 	\$240 annual license fee. 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 at least eight hours of continuing education annually.
	Emergency and temporary elevator mechanic's licenses	Must have combination of documented experience and education sufficient to perform elevator work without direct and immediate supervision, as confirmed by a licensed elevator contractor.	\$96 license fee for both.	Emergency license is valid for 45 days and renewable by the Department during a state of emergency. Temporary licenses are valid for one year and renewable for an additional year.

Elevator Mechanic and Elevator Contractor Licensure in Surrounding States				
State	Occupational License or Certificate	Licensure Qualifications	Fees and Insurance	Other Requirements and Information
Michigan ²⁸	Elevator journeyman license	<p>Satisfies one of the following:</p> <ol style="list-style-type: none"> 1. Have at least three years of experience in either: <ol style="list-style-type: none"> a. Elevator contractor work of supervising installation or repair; or b. Installation, alteration, maintenance, repair, servicing, inspecting, or adjusting elevator equipment.²⁹ 2. Successfully pass an examination approved by the Michigan Elevator Safety Board and prove three years of continuous employment as a supervisor of elevator construction or service, or as an 	<p>\$176 examination fee.</p> <p>\$45 fee for initial license and renewal.³⁰</p>	License may be renewed annually.

²⁸ Mich. Comp. 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.

²⁹ 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.

³⁰ Fee rates for elevator journeyman license.

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	elevator constructor, serviceperson, maintenance person, or repairperson. Must have five years of experience as an elevator constructor or journeyman, or the equivalent.	\$142 fee for initial license or renewal. ³¹ Have liability insurance of at least \$1 million for each occurrence and at least \$2 million in the aggregate.	
West Virginia ³²	Elevator mechanic's license	Must do one of the following: 1. Successfully complete educational programs that are registered with the U.S. Bureau of Apprenticeship and Training, including all required examinations and work experience; 2. Provide the West Virginia Commissioner of the Division of Labor with an acceptable combination of documented	\$180 fee for initial license or renewal (two-year license duration).	

³¹ Fee rates for elevator contractor license.

³² W. Va. Code §§ 21-3C-1, 2, 10a, 10b, and 11; W. Va. Code of State Rules §§ 42-21-11 and 42-21A-15.

Elevator Mechanic and Elevator Contractor Licensure in Surrounding States				
State	Occupational License or Certificate	Licensure Qualifications	Fees and Insurance	Other Requirements and Information
	Accessibility technician's license	<p>experience and educational credits, including:</p> <ul style="list-style-type: none"> a. At least four years of active experience in the elevator industry; and b. A minimum score of 70% on a written competency examination approved or provided by the Division. <p>Must do one of the following:</p> <ul style="list-style-type: none"> 1. Complete an accessibility training program; 2. Have at least 18 months of experience in construction, maintenance, or service and repair of elevators; at least one 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. 	\$180 fee for initial license or renewal (two-year license duration).	

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 ³³	Must do one of the following: <ol style="list-style-type: none"> 1. Complete a certified apprenticeship program registered by the U.S. Department of Labor. 2. Have at least three years of documented work experience, sufficient educational credits, and obtain a minimum score of 70% on a written competency examination. 	\$180 fee for initial license or renewal (two-year license duration).	

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³³ A person holding a limited technician license may only perform work at a historic resort hotel.