

OVERVIEW

THE AUDITOR
STATE OF HAWAII

Sunrise Analysis of a Proposal to Regulate Refrigeration and Air Conditioning Mechanics

Summary

We analyzed whether refrigeration and air conditioning mechanics should be regulated as proposed in House Bill No. 2661 introduced during the 1994 legislative session. We concluded that licensing is not necessary, existing protections are sufficient, and House Bill No. 2661 is flawed.

Refrigeration and air conditioning mechanics or technicians install, maintain, service, and repair refrigeration and air conditioning systems. Refrigeration systems maintain required temperatures to preserve food, medicine, and other perishable products. Air conditioning systems control the temperature, humidity, and air quality in residential, commercial, industrial, and other buildings.

House Bill No. 2661 proposes to regulate the occupation with a seven-member refrigeration and air conditioning mechanics licensing board in the Department of Commerce and Consumer Affairs. Under the proposal, no one can lawfully perform, direct, or supervise refrigeration or air conditioning work unless licensed by the board.

The bill covers only refrigeration appliances with a refrigerant charge of at least five pounds and air conditioning systems whose cooling capacity exceeds 51,000 British thermal units (BTUs) per hour or whose aggregate cubic feet per minute exceeds 2,100. This excludes most residential refrigerators and residential room air conditioning units.

The Sunset Law says that professions and vocations should be regulated only when reasonably necessary to protect the health, safety, and welfare of consumers. In assessing the need for regulation, evidence of abuses is to be given great weight. The law also asks the Auditor to consider whether consumers are at a disadvantage in choosing the provider and the benefits and costs of regulation to taxpayers.

We found that the regulation of refrigeration and air conditioning mechanics is not warranted. There is little evidence that regulation is needed. We found no documented evidence of abuses by refrigeration and air conditioning mechanics; few states regulate them. Proponents of regulation claim that incompetent mechanics could harm the public. They say faulty servicing of air conditioning systems or refrigeration units could result in problems such

as Legionnaires' disease, indoor air pollution, fires, contaminated drinking water, and food spoilage. Upon examination, we found the arguments by proponents to be speculative and not well supported.

We also found that the engineers, contractors, supermarket managers, and others who would be using licensed refrigeration and air conditioning mechanics have the experience and knowledge to protect themselves. They are not disadvantaged consumers who need state regulation to protect them. Furthermore, regulation would be costly and licensing fees could restrict entry into the occupation.

The federal government, state government, and the private sector already provide protections against the kinds of harm identified by proponents of regulating refrigeration and air conditioning mechanics. These include federal programs in environmental protection and state programs in health, fire protection, and contractor licensing. In the private sector, union apprenticeship training, various educational programs, and private certification provide additional protection.

In addition, we found that House Bill No. 2661 has several deficiencies. Its definitions are confusing. Also, licensure requirements are unreasonably restrictive. Applicants must have at least five years of full-time experience, but not less than 10,000 work hours, as an apprentice or helper. This restricts qualified persons from entering the profession.

Recommendation and Response

The Legislature should not enact House Bill No. 2661.

Marion M. Higa
State Auditor
State of Hawaii

Office of the Auditor
465 South King Street, Room 500
Honolulu, Hawaii 96813
(808) 587-0800
FAX (808) 587-0830