OFFICE OF LEGISLATIVE RESEARCH PUBLIC ACT SUMMARY



PA 25-47—SB 1465 General Law Committee

AN ACT AUTHORIZING THE COMMISSIONER OF CONSUMER PROTECTION TO ALLOW CERTAIN SKILLED TRADE LICENSEES TO DEVIATE FROM CERTAIN SKILLED TRADE HIRING RATIOS

SUMMARY: Existing law sets a hiring ratio that certain trades must follow (see below). The hiring ratio requires a certain number of licensed journeypersons or contractors before another apprentice may be hired in the following trades: electrical; plumbing; heating, piping, and cooling; sprinkler fitter; and sheet metal work.

This act allows a licensed contractor in one of these fields to hire one or more additional apprentices even if the contractor does not employ enough licensees to satisfy the hiring ratio under certain conditions. To do so, the contractor must apply for ratio relief to the Department of Consumer Protection (DCP) in a way the commissioner sets. DCP must approve the application, subject to certain approval criteria, if (1) it determines that the contractor employs a combination of up to eight journeypersons and contractors, including the licensed contractor, and (2) the applicant attests that the labor department has not taken any wage-related enforcement action against the licensed contractor during the three-year period immediately before the application date.

Lastly, the act allows the DCP commissioner to amend any adopted hiring ratio regulations to effectuate the act's provisions.

EFFECTIVE DATE: October 1, 2025

HIRING RATIO

Under prior law, the DCP commissioner had to establish regulations to reflect the hiring ratios mandated by law. Without changing the ratios, the act eliminates the requirement for regulations and instead sets the ratios exclusively by law.

The table below shows the number of licensed journeypersons or contractors a company must have before hiring apprentices.

Hiring Ratios of Apprentices to Licensed Journeypersons or Contractors

Apprentices	Licensees (Journeypersons or Contractors)
1	1
2	2
3	3
4	6

Apprentices	Licensees (Journeypersons or Contractors)
5	9
6	12
7	15
8	18
9	21
10*	24*

^{*}If there are 11 or more apprentices, the ratio continues at 1:3 (apprentice to licensees).

Ratio Relief Application

The act allows a licensed contractor to submit a ratio relief application to DCP. The application must at least include:

- 1. the name and contact information of (a) the licensed contractor, (b) the licensed and registered apprentices the licensed contractor currently employs, and (c) each additional apprentice, if known by the licensed contractor;
- 2. information demonstrating the criteria for relief have been satisfied (see below);
- 3. a statement disclosing whether DCP has taken any disciplinary action against the licensed contractor during the three-year period immediately before the application date, and if so, a description of the disciplinary action;
- 4. a statement disclosing whether the labor department has taken any wagerelated enforcement action against the licensed contractor during the threeyear period immediately before the application date, and if so, a description of the enforcement action;
- 5. a copy of each notice of termination of an apprenticeship agreement that the licensed contractor submitted to the labor department during the three-year period immediately before the application date;
- 6. if during the three-year period before the application date, a state agency authorized the licensed contractor to hire more apprentices than the hiring ratio, an attestation from the contractor that (a) the agency authorized the hire, (b) he or she continues to employ the apprentice or offered to rehire the apprentice before the application date, and (c) he or she did not terminate the apprentice's employment for any reason other than the position was unavailable; and
- 7. any other information the DCP commissioner deems relevant to the hiring ratio relief.

Approval Criteria

Under the act, if the DCP commissioner or his designee determines that the licensed contractor employs a combination of up to eight journeypersons and contractors including the licensed contractor, and the applicant attests that the labor

department has not taken any wage-related enforcement action against the licensed contractor during the three-year period immediately before the application date, the commissioner or the designee must approve the application, as long as the licensed contractor:

- 1. seeks to hire one or more additional apprentices at a ratio that does not exceed one apprentice to one journeyperson or contractor;
- 2. attests that at least one apprentice is enrolled in a qualified apprenticeship training program offered by a school in the Technical Education and Career System, unless the licensed contractor made a good faith effort to find an apprentice enrolled in such a program and was unsuccessful; and
- 3. attests that the licensed contractor is suffering from an undue operational hardship due to the hiring ratio.

The commissioner or his designee must send the licensed contractor notice about the decision within 10 business days after DCP received the application. Each decision is considered a final decision for Uniform Administrative Procedure Act (UAPA) purposes.

The act requires the commissioner or his designee to refer the application to the appropriate examining board if, after reviewing the application, he or she determines that the (1) licensed contractor employs a combination of more than eight journeypersons and contractors including the licensed contractor, (2) labor department has taken any wage-related enforcement actions against the licensed contractor during the three-year period immediately before the application date, or (3) licensed contractor does not satisfy the required approval criteria.

Examining Boards

The act requires each examining board of a trade subject to these hiring ratios, by February 1, 2026, to establish a set of criteria to determine whether good cause exists for the board to approve referred ratio relief applications. The criteria must include criteria for reviewing applications a licensed contractor submits when the labor department has taken wage-related enforcement actions.

Under the act, each board may only amend the criteria once a calendar year and the DCP commissioner must post all criteria and amended criteria on DCP's website.

Within 90 days after DCP refers a ratio relief application to the appropriate examining board, the board must:

- 1. determine whether good cause exists to approve the application based on the posted criteria,
- 2. approve or reject the application based on the determination, and
- 3. send notice to the applicant disclosing the board's decision and the basis for determining whether good cause existed.

Under the act, a board's decision is a final decision under the UAPA and exempt from the laws allowing the DCP commissioner to (1) reject or modify actions taken by certain boards or commissions and (2) reject a board or commission's proposed final decision based on a finding that the decision will have an anticompetitive effect and ensure compliance with federal anti-trust law.