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# Plumber Licensing in Oklahoma

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*The Plumbing License Law of 1955 has no sunset provision. The Oklahoma Construction Industries Board, which regulates the plumbing industry, expires on July 1<sup>st</sup>, 2023 in accordance with the Oklahoma Sunset Law.<sup>1</sup>*

## INTRODUCTION

The state of Oklahoma requires anyone who wishes to provide plumbing services to obtain a license from the Oklahoma Construction Industries Board (CIB). The CIB was created in 2001 by the Construction Industries Board Act and has regulatory power over occupations such as plumbing, roofing, electrical, mechanical, and building/home inspection. The Oklahoma State Committee of Plumbing Examiners is a sub-committee created by the CIB to directly oversee the plumbing industry. Members of the Committee are appointed by the Construction Industries Board to two year terms. Two members of the Committee must have five years' practical experience as a licensed master plumber or plumbing contractor, two members must have five years' practical experience as a licensed journeyman plumber, and one member must be a plumbing inspector selected from lists of names submitted from plumbing inspection industries.<sup>2</sup>

Forty-four states require some sort of plumber licensing. However, Kansas, Missouri, Nebraska, New York, Pennsylvania, and Wyoming do not.<sup>3</sup>

## CURRENT LAW

The *Plumber License Law of 1955* has a very detailed description of what constitutes "plumbing" for the purposes of the Act, which is summarized here: Plumbing is the work of installing and maintaining the system of pipes, tanks, fittings, and other apparatus required for the water supply, heating, and sanitation in a building or structure.<sup>4</sup>

- According to the Act, those wishing to offer their services as a plumbing contractor must meet the following requirements:
- Be 18 years of age,
- Have four years of verifiable experience in the plumbing trade (approved classroom training may be substituted for up to two years' experience),
- Pass Plumbing Contractor and Gas; Business and Law

Exam (75 percent constitutes a pass),

- Pay \$5,000 surety bond to CIB Revolving Fund,
- Maintain a \$200,000 insurance policy,
- Pay a \$300 initial licensing fee (\$200 annual renewal), and
- Complete six hours of Continuing Education every 36 months.<sup>5</sup>

## BURDEN

Applicants have two of options when it comes to fulfilling the four-year work requirement. First, they can enroll in a tech program, associate degree program, or other certification program. Second, they can forego the classroom and immediately register with the CIB as a plumber's apprentice if they have employment with a licensed plumber contractor. If they choose the latter, they will earn apprentice pay for three years before they can qualify to take the journeyman plumber exam. If they choose classroom training, upon completing their course of study they are required to work as a plumber's apprentice for a year, upon completion of which they may apply for their journeyman plumber license (which entails more exams and licensing fees).

After obtaining a journeyman plumber license and completing a year as a journeyman plumber, one would then be eligible to apply to be licensed as a plumber contractor. If they pass the exams, which cost \$100 each and require a score of 75 percent to pass, they must pay a \$300 initial fee in order to obtain their license. In addition, licensed plumber contractors are required to register their state license with the city or municipality in which they practice, and the city is allowed to charge a fee for said registration.<sup>6</sup> For example, Oklahoma City requires plumber contractors pay a \$100 fee to register their state license with the city.<sup>7</sup>

Becoming an independent, licensed plumber contractor in Oklahoma, as detailed above, is costly and time-consuming. It constitutes a significant barrier to anyone who wishes to pursue a career as a plumber contractor.

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## EVALUATION

The state of Oklahoma (and the nation as a whole) has experienced an artificially induced decline in the number of plumbers and other related technicians, due in part to licensing requirements, all while demand is growing at a rapid pace.<sup>8</sup> To add insult to injury, the requirements are totally unnecessary. There is no licensing regime for plumbers in Great Britain, and yet public health and safety are not endangered.<sup>9</sup> In fact, Great Britain employs a system of private certification, which works quite well.<sup>10</sup>

In *Policy Makers Guide to Occupational Licensing*,<sup>11</sup> the 1889 Institute puts forth a two-part test for determining if licensing is necessary:

**First, does the practice of plumbing represent a real and highly probable risk of significant harm to patrons (consumers or the general public) if practitioners do not act properly?**

**No.** In this case, there is no real or significant risk of harm to patrons if plumbers do not act properly (especially for the basic services plumbers provide). While it is true that once shut in a wall or in the ground a good deal of a plumber's work cannot readily be observed or accessed, rendering mistakes very costly to rectify, there are already measures in place to mitigate this. Anyone wishing to have plumbing installed must first pay for an inspection and be granted a permit for the work they want done. Once the job is complete, they must pay for an additional inspection to ensure the work is up to code. The inspections in and of themselves mitigate most of the risk. Given the permitting required by government and the easy availability of verifiable bonding and insurance that consumers can require, there is no need for plumber licensing.

**Second, is there some kind of civil-law and/or market failure that makes it nearly impossible for patrons to obtain information, educate themselves, and judge whether practitioners are competent?**

**No.** In regard to the type of services that plumbers provide

on a daily basis to the average individual (fixing a leaky faucet, clogged drain, overflowing toilet, etc.) there is very little evidence of information asymmetry. Social media, Yelp, Google reviews, Consumer Reports, and sites like Angie's List make information regarding quality and competency easy to determine. For bigger jobs like renovation, home additions, and new construction, information asymmetry could pose a significant problem. Of course, individuals still have legal recourse through torts, should quality be lacking or damage result from poor work. In addition, this issue can be significantly reduced *without* the need for state mandated licensing. Private certification can be a more meaningful shorthand indicator of quality and allow for greater transparency in occupations than traditional licensing.

The 1889 Institute has outlined a solution to the problem of occupational licensing, including a model bill, in its paper *A Win-Win for Consumers and Professionals Alike: An Alternative to Occupational Licensing*.<sup>12</sup> It would have the state register multiple private certification organizations, which compete for professionals and the attention of consumers. This preserves the one and only valuable aspect of licensing, the shorthand information of which practitioners are competent, while discarding the market distortions of monopolized industry. The law keeps certifiers honest by allowing competing certifiers to enter the market as they find opportunity. Private certifiers are conditionally given the protection of criminal fraud laws to lower the cost of defending their credentials. Licenses are not eliminated; instead, anyone certified by a qualified certifier is exempted from the relevant licensing laws.

## CONCLUSION

It is obvious that the current licensing regime is much too burdensome and does not address a real and highly probable risk to the general public. In fact, given the high demand for plumbing services and the low supply of providers, the continued regulatory burden of the state is only exacerbating the problem. The legislature should repeal the *Plumbing License Law of 1955* immediately.

## References

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