



# Opportunities for Improvement: Colorado HVAC Industry

Processes, Safety, & Welfare of Residents

# Understanding the Issue

- A patchwork of HVAC licensure requirements creates a significant burden on contractors -- particularly small, local businesses -- and limits competition for consumers.
- Our region has a large HVAC workforce shortage, with rapidly growing demand.
- Administrative burden can lead to unregulated, inefficient and unsafe installations.
- Multiple opportunities exist to address these problems in collaboration with industry and local governments.

# Goals for today

- Discuss DRCOG conducting local government and industry outreach to get feedback on how to streamline HVAC licensure requirements across jurisdictions.
- Evaluate applying to the Colorado Department of Regulatory Affairs (DORA) to consider the appropriateness of a statewide licensure system.
- Explore opportunities to better serve your residents and businesses.

# Why Now? Why DRCOG?

- From 2025-2029, up to \$1 billion will be invested in the HVAC industry, including DRCOG's \$199.7 million program.
- A win for contractors, a win for our building program.
  - We are hearing industry express their desire for simplified licensing requirements.
- DRCOG is uniquely positioned to coordinate this evaluation, with local government and contractor support.



# Existing HVAC Licensure Processes

# Current HVAC Licensure in Colorado

- Colorado is one of 17 states that does not implement a statewide HVAC licensure program.
- State and local governments already work together in multiple industries (i.e., electrical, plumbing).
  - Includes local permitting and inspections.
  - Local governments sit on DORA's licensing boards.
  - Additional local requirements still apply (as well as contemporaneous reviews).
- HVAC contractors need to maintain dozens of licenses to work across the region or turn down work due to requirements.

# Risks of current licensure requirements

- Limited jurisdiction capacity can lead to more uninspected work.
  - Risks: Gas, carbon monoxide and refrigeration leaks.
- Residents in smaller jurisdictions may be subject to unpermitted work.
  - One smaller town's permit technician estimated that 50% of HVAC work is unpermitted.
- Higher utility bills.
  - Wrong-sized equipment leads to wasted energy consumption.

# Case Study: Cornelio Martinez (Maize Mechanical)

- Licensed in 20 jurisdictions.
- Three full-time and two part-time staff (Martinez handles all administrative work).
- “The smaller jurisdictions don’t have the same resources as the larger ones, so unfortunately, those cities are subject to lower standards from contractors.”
- “If I forget to renew one of my licenses on time, I could be subject to penalty fees. I often rely on email reminders from the jurisdictions.”





# Options to Keep Exploring

# Option 1: Expanding Reciprocal Licensing

- Most local governments already recognize this issue and allow reciprocal licensing.
  - Licensure requirements are mostly the same across the region.
  - ICC- F29, F32, or Master Mechanical
- Reciprocal licensing eases burden on local jurisdictions' permitting and licensing offices and contractors.

## Participating Boulder County ICC Jurisdictions

- Arvada
- Aspen
- Brighton
- Castle Rock
- Centennial
- City and County of Denver
- City of Boulder
- City of Canon City
- City of Lakewood
- City of Longmont
- City of North Glenn
- City of Trinidad
- Pikes Peak Regional Building Department
- Commerce City
- Dacono
- Delta

- Englewood
- Glenwood Springs
- Golden
- Grand Junction
- Lakewood
- Larimer County
- Lafayette
- Littleton
- Louisville
- Loveland
- Mesa County
- Pitkin County
- Pueblo
- Sheridan
- Snowmass Village
- Sterling
- Teller County
- Thornton
- Town of Castle Rock
- Westminster
- Wheat Ridge
- Woodland Park

# Option 2: State Support for HVAC Licensing

- Proposing support from the Colorado Department of Regulatory Affairs (DORA) to evaluate a statewide HVAC license that meets current criteria across jurisdictions.
- Contractors would still need to register with local jurisdiction to perform work
  - Locals still hold authority for inspections, codes and permitting
- DORA's services would be available as needed, with the option to opt out if local permit offices prefer to handle operations

# Proposal benefits

- Reduced burden on HVAC contractors.
- Comparable standards that emulate reciprocal licensing.
- Flexibility for jurisdictions to use state system or their own (currently the approach with electricians and plumbers)
- Provide more resources for our local licensing offices while retaining local requirements and control.
- Standardized quality and consumer protection.
- Board membership made up of DORA staff, local building officials and industry contractors.

# Next steps...

- Deadline for sunrise review application with DORA is July 1, 2025.
  - DRCOG would conduct outreach with local government and industry stakeholders.
- A DORA recommendation could go to 2026 Legislative Session.
- The earliest the new policy would be implemented is 2027.

# Thank You

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