

## **Memorandum of Opposition S.4738A (Ramos) / A.2039B (Dilan)**

The Empire State Chapter of Associated Builders and Contractors (ABC), which represents hundreds of merit shop contractors and subcontractors, employing hundreds of thousands of workers throughout the state of New York, opposes S.4738A/A.2039B.

If passed, this bill will completely change how modular construction work is done in New York City and may completely eliminate it as a viable option. S.4738A/A.2039B will force workers performing modular construction to hold existing licenses for the work performed in municipalities with over one million people. It will limit the ability of some people to learn new skills to improve their career options because they'll never be to obtain a license. Currently, they can work on modular projects. However, if passed these job options no longer exist.

What the supporters of this bill fail to understand is that not every trade requires a license, such as carpentry, and right now there are thousands of workers who perform modular construction work who will be left unable to by this bill because they do not hold those licenses. This approach will force contractors to only hire and recruit individuals with licenses and not waste time on individuals looking to join the industry or who do not have prior experience. That will greatly reduce opportunities for individuals working in or looking to work in modular construction by preventing them from learning electrical, plumbing, and other mechanical trades by requiring them to be licensed. In addition, mandating that modular construction workers carry these licenses creates a burdensome process for these workers as they will now be forced to pay for, manage and renew their licenses in order to comply with this law.

It's also important to point out that it's very difficult and expensive to build in New York City and many projects, especially affordable housing projects, rely on modular construction in order to complete their work on time and close to budget. Creating unnecessary and cumbersome licensing requirements will eliminate the benefits of using modular construction and therefore will negatively impact projects across New York City, including vital affordable housing initiatives. With so few workers currently able to comply with this law, how can New York State expect to continue to build and refurbish affordable housing and other vital infrastructure projects in New York City?

In a time when the skilled labor shortage is negatively impacting projects in New York City, coupled with the fact that the City is already a challenging place to build, this law cannot pass as written. New York doesn't need yet another law that shrinks the construction workforce and forces workers to jump through unnecessary hoops in order to do their jobs. Instead, Albany should be considering legislation that lessens the burden on workers and contractors and promotes a healthy construction environment in New York City. That will benefit all construction workers as well as those that benefit from the important work that they do.

For these reasons, the ABC Empire State Chapter opposes this legislation