

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1568 (Delegate Lisanti)
 Rules and Executive Nominations

State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration
 Contractors - Maintenance Technician - License Requirements

This bill establishes a “maintenance technician” license issued and regulated by the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration (HVACR) contractors, subject to specified requirements. The license is generally integrated into the existing licensing structure for other licenses issued by the HVACR board. The initial and renewal fee for the maintenance technician license is \$40 – licenses are issued biennially and may be issued on a staggered basis.

Fiscal Summary

State Effect: General fund expenditures increase by approximately \$18,000 for programming and exam development expenses in FY 2017. General fund expenditures may further increase beginning in FY 2018 for additional staff and investigation costs. The amount cannot be reliably estimated at this time. General fund revenues increase, potentially by approximately \$20,000 annually, beginning in FY 2018 from license fees for maintenance technicians, as discussed below. General fund revenues may be mitigated to some extent if individuals forgo licensure as apprentices in favor of licensure as maintenance technicians.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GF Revenue	\$0	\$20,000	\$20,000	\$20,000	\$20,000
GF Expenditure	\$18,000	-	-	-	-
Net Effect	(\$18,000)	\$20,000	\$20,000	\$20,000	\$20,000

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Licensed maintenance technician” means an individual who is licensed by the HVACR board to provide general preventive maintenance under the supervision of a licensed journeyman on equipment for HVACR systems as prescribed by the manufacturer of the equipment and by industry guidelines.

“Provide general preventive maintenance” means the systematic inspection, detection, and correction performed on a piece of working equipment to lessen the likelihood of breakdown or failure. It does not include the replacement, alteration, or modification of equipment or controls on a piece of equipment.

To qualify for a maintenance technician license, an individual must:

- have been regularly employed in providing general preventive maintenance on equipment for HVACR systems for at least two years of active experience under the direction and control of a licensed HVACR contractor or in the U.S. Armed Forces, and have been so employed for at least 3,750 hours in the two years prior to the application;
- be enrolled in at least the second year of an apprentice program approved by the board, or have documented training through an industry training program designed for HVACR equipment maintenance approved by the board; and
- pass an examination administered by the board, subject to specified requirements.

A licensed maintenance technician does not need to obtain separate insurance while providing or assisting in providing HVACR services under the control and supervision of a master, master restricted, or limited HVACR licensee (as those licensees are required to have insurance under current law).

If an applicant passes the examination required by the board and otherwise qualifies for the maintenance technician license, the board must notify the applicant and issue the license on receipt of the \$40 license fee.

Current Law/Background: The State Board of HVACR Contractors licenses individuals who offer HVACR services to protect the public, maintain efficient and safe systems, and promote high professional standards in the industry. In general, an individual must be licensed by the board prior to providing or offering to provide HVACR services in the State.

“Providing HVACR services” means installing or maintaining heating, cooling, refrigeration, ventilation, or hydronic systems. The board issues the following types of licenses: master, master restricted, limited, journeyman, journeyman restricted, and apprentice.

A master license authorizes an individual to provide all HVACR services. A master restricted license authorizes an individual to provide HVACR services in one of the following categories: (1) heating – forced air systems; (2) heating – hydronic systems; (3) ventilation; (4) air conditioning; or (5) refrigeration. An individual may hold restricted licenses in up to four categories. A limited license authorizes a licensee to only maintain or repair one or more HVACR systems. Journeyman and journeyman limited licensees must provide applicable HVACR services under the direction and control of a licensed HVACR contractor. Apprentices may only assist in providing HVACR services while under the direction and control of a licensed HVACR contractor and in a training program to become a journeyman.

A holder of a master, master restricted, or limited HVACR license may not contract to provide HVACR services on behalf of the licensee or another person who provides HVACR services unless the work is covered by at least \$300,000 of general liability insurance and \$100,000 of property damage insurance.

State Fiscal Effect: The Department of Labor, Licensing, and Regulation (DLLR) must develop an examination for the new maintenance technician license and make a minor programming change to its licensing system. Therefore, general fund expenditures increase by approximately \$18,000 in fiscal 2017. General fund expenditures may further increase beginning in fiscal 2018 for additional staff and investigation costs. The amount cannot be reliably estimated at this time.

Assuming a start-up delay due to exam development and other requirements associated with implementing a new license category, general fund revenues increase beginning in fiscal 2018 from license fees for maintenance technicians. Testing fees are paid directly to a testing service. DLLR estimates that revenues from these licenses may be approximately \$20,000 annually. General fund revenues may be mitigated to some extent if individuals forgo licensure as HVACR apprentices (\$10) in favor of licensure as a maintenance technician. However, unlike time spent as an apprentice, work performed under the maintenance technician license does not qualify as work experience for a journey license. Therefore, there may not be a significant reduction in the issuance of apprentice licenses to the extent that individuals intend to seek higher levels of licensure.

Additional Information

Prior Introductions: None.

Cross File: Although designated as a cross file, SB 954 (Senator Klausmeier – Education, Health, and Environmental Affairs) is not identical.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - March 29, 2016
min/mcr

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510