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Environment and Transportation  
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*Subcommittees*

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*The Maryland House of Delegates*  
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**Delegate Stein Testimony in Support of  
HB1162: Heating, Ventilation, Air–Conditioning, or Refrigeration Contractors –  
Equipment Sales**

Maryland’s current HVACR license requirements provide important consumer protections, ensuring consumers receive a safe, efficient, and high-quality installation of one of the most expensive, and necessary, appliances in their homes—their heating, ventilation, and air-conditioning equipment. Yet, there have been dozens of consumer complaints reported annually regarding HVACR services from unlicensed contractors—despite current laws prohibiting unlicensed contractors from selling to homeowners.

This legislation would establish a requirement that HVACR equipment distributors only sell equipment to individuals legally authorized to install the equipment. By requiring equipment sellers to follow license requirements, this legislation will significantly improve compliance and will benefit Maryland consumers.

I appreciate the engagement from stakeholders on the bill and the version you have before you includes amendments from the House that help address and incorporate the feedback I’ve received. Based on additional feedback from members of the General Assembly—including this committee—and the HVACR License Board, I have amended the bill to strengthen compliance by making violations a misdemeanor, consistent with existing penalties for license infractions. Based on feedback from the business community, the adopted amendments also remove annual reporting requirements, which some stakeholders feared would place a burden on small businesses.

The bill retains the exceptions in existing license requirements that allow a building owner to install equipment on their own property, in addition to utility and government employees and holders of other professional licenses. This legislation also does not apply to small plug-in appliances like window air conditioners and space heaters, and exempts construction material suppliers, such as retail hardware stores, that are not set up to verify license information at the sales register.

Finally, the bill includes a required disclosure to make sure that building owners and contractors purchasing the equipment are aware of the license requirements.

Key outcomes of this legislation will include:

- 1. Improved Safety:** HVAC licenses require years of experience and training for good reason. Unlicensed installers lack the experience to safely install electric and combustion HVAC equipment, putting homeowners and their families at risk.

2. **Insurance Compliance:** Unlicensed contractors lack business insurance, putting homeowners at significant financial risk in the event of a problem installation.
3. **Lower Energy Costs and Emissions:** Professional installation is critical to maximizing the efficiency of heat pumps, resulting in lower energy costs for consumers and reducing greenhouse gas emissions.
4. **Promote a Responsible Industry:** Improved license compliance will also support compliance with local permit requirements and business taxes, further promoting a responsible industry.

Requiring sales of HVAC equipment only to licensed professionals and requiring disclosures to make consumers aware of this requirement will support increased compliance with existing HVAC license requirements, leading to safer, more energy efficient, and cost-effective HVAC installations for Maryland residents.