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(PRE-FILED)

By: Chairman, Economic and Environmental Affairs Committee (Departmental - Labor, Licensing and Regulation)

Requested: July 27, 1998

Introduced and read first time: January 13, 1999 Assigned to: Economic and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 9, 1999

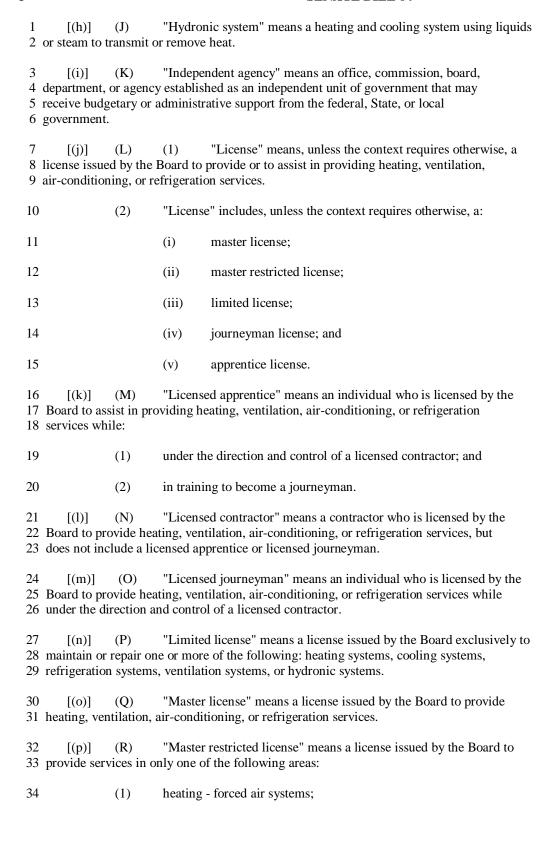
CHAPTER____

1 AN ACT concerning

2 Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors

- 3 FOR the purpose of requiring certain persons to obtain a certain certificate before
- 4 providing heating, ventilation, air-conditioning and refrigeration services in the
- 5 State; requiring applicants for certain certificates to provide certain information
- 6 to the Board of Heating, Ventilation, Air-Conditioning, and Refrigeration
- 7 Contractors; prohibiting the Board from charging a fee for the issuance of a
- 8 certain certificate; providing for the renewal of certain certificates; providing
- 9 that the area from which a certain member of the Board is appointed includes
- Baltimore City; defining certain terms; requiring the Board to charge a certain
- 11 late fee under certain circumstances; providing that certain certificates are not
- 12 transferable; adding to the grounds for which the Board may take certain
- disciplinary action; requiring certain persons to display certain information in
- certain places of business and on certain vehicles; clarifying the requirements
- 15 regarding certain insurance coverage; requiring that certain advertisements
- 16 contain certain information; increasing certain criminal penalties; imposing
- 17 certain criminal penalties; and generally relating to heating, ventilation,
- air-conditioning, and refrigeration contractors.
- 19 BY repealing and reenacting, with amendments,
- 20 Article Business Regulation
- 21 Section 9A-101, 9A-202(b), 9A-301, 9A-303, 9A-309, 9A-310, 9A-401,
- 22 9A-402, 9A-404, and 9A-505
- 23 Annotated Code of Maryland
- 24 (1998 Replacement Volume)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 2 MARYLAND, That the Laws of Maryland read as follows: 3 **Article - Business Regulation** 4 9A-101. 5 (a) In this title the following words have the meanings indicated. "Board" means the State Board of Heating, Ventilation, Air-Conditioning, 6 7 and Refrigeration Contractors. 8 "CERTIFICATE" MEANS A DOCUMENT ISSUED BY THE BOARD THAT 9 AUTHORIZES A FIRM TO PROVIDE HEATING, VENTILATION, AIR-CONDITIONING, AND 10 REFRIGERATION SERVICES THROUGH AN INDIVIDUAL WHO HOLDS A: 11 (1) MASTER LICENSE; 12 MASTER RESTRICTED LICENSE; OR (2) 13 LIMITED LICENSE. (3) 14 "Contractor" means a heating, ventilation, air-conditioning, and [(c)](D) 15 refrigeration contractor. [(d)](E) "Cooling system" means a system in which heat is removed 16 (1) 17 from air, surrounding surfaces, or both. 18 (2) "Cooling system" includes an air-conditioning system. "FIRM" MEANS A CORPORATION, LIMITED LIABILITY COMPANY, LIMITED 19 (F) 20 LIABILITY PARTNERSHIP, JOINT VENTURE, PARTNERSHIP, OR LIMITED 21 PARTNERSHIP THROUGH WHICH AN INDIVIDUAL PROVIDES OR ASSISTS IN 22 PROVIDING HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION 23 SERVICES. "Forced air system" means a heating system that uses air being 24 [(e)] (G) 25 moved by mechanical means to transmit heat. 26 (1) "Heating system" means a system in which heat is transmitted 27 by radiation, conduction, or convection, or a combination of any of these methods, to 28 the air, surrounding surfaces, or both. 29 "Heating system" does not include a fireplace or woodburning stove 30 not incorporated into or used as a primary heating system. 31 "Heating, ventilation, air-conditioning, and refrigeration contractor" [(g)]32 means an individual who provides heating, ventilation, air-conditioning, or 33 refrigeration services.



1 (2) heating - hydronic systems; 2 (3) ventilation; 3 (4) air-conditioning; or 4 (5) refrigeration. 5 **(S)** "Provide heating, ventilation, air-conditioning, or refrigeration [(p)] 6 services" means to install, maintain, alter, remodel, or repair heating systems, cooling systems, refrigeration systems, ventilation systems, or hydronic systems. "Refrigeration system" means a system used to cool a surface or area [(r)](T) 9 below 55 degrees Fahrenheit or 12.9 degrees Celsius. [(s)](U) "Subdivision of the State" means any of the 23 counties in Maryland, 11 the City of Baltimore, and any municipal corporation. 12 "Ventilation system" means the natural or mechanical process of [(t)](V) 13 supplying air to, or removing air from, any space: 14 whether the air is conditioned or is not conditioned; and (1) 15 at a rate of airflow of more than 250 cubic feet per minute. (2) 16 9A-202. 17 Except for the initial members of the Board, of the members appointed 18 under subsection (a)(2)(i), (ii), and (iii) of this section: 19 (1) 1 shall be from the area that consists of Caroline, Dorchester, Kent, 20 Queen Anne's, Somerset, Talbot, Wicomico, and Worcester Counties; 21 1 shall be from the area that consists of BALTIMORE CITY AND (2) 22 Baltimore, Cecil, and Harford Counties; 1 shall be from the area that consists of Anne Arundel, Calvert, 23 24 Charles, and St. Mary's Counties; 1 shall be from the area that consists of Howard, Montgomery, and (4) 26 Prince George's Counties; and 27 1 shall be from the area that consists of Allegany, Carroll, Frederick, 28 Garrett, and Washington Counties. 29 9A-301. 30 (A) Except as otherwise provided in this title, an individual shall be licensed 31 by the Board before the individual provides or assists in providing heating,

32 ventilation, air-conditioning, or refrigeration services in the State.

33

SENATE BILL 64

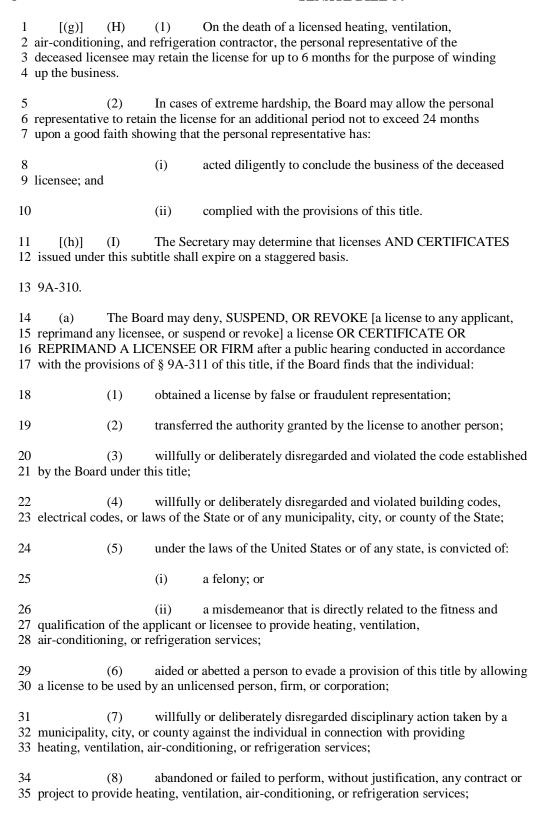
1 (B) A FIRM SHALL OBTAIN A CERTIFICATE FROM THE BOARD BEFORE THE 2 FIRM PROVIDES OR ASSISTS IN PROVIDING HEATING, VENTILATION, 3 AIR-CONDITIONING, OR REFRIGERATION SERVICES IN THE STATE. 4 9A-303. 5 An applicant for a license shall: (A) submit an application to the Board in the form that the Board 6 (1) 7 provides: and pay to the Board or the Board's designee an examination fee 8 (2)9 established by the Board in an amount not to exceed the cost of the examination. AN APPLICANT FOR A CERTIFICATE SHALL SUBMIT AN APPLICATION 11 TO THE BOARD IN THE FORM THAT THE BOARD PROVIDES. THE BOARD MAY NOT CHARGE A FEE FOR THE ISSUANCE OF A 12 13 CERTIFICATE. IN ADDITION TO ANY OTHER INFORMATION REQUIRED BY THE 14 15 BOARD, THE FORM SHALL REQUIRE: (I) FOR AN INDIVIDUAL, THE NAME AND ADDRESS OF THE 17 INDIVIDUAL; (II)FOR A CORPORATION, LIMITED LIABILITY COMPANY, OR 19 LIMITED LIABILITY PARTNERSHIP, THE NAME AND ADDRESS OF EACH OFFICER, 20 SHAREHOLDER, OR MEMBER UNIT OWNER WHO MAY PROVIDE OR ASSIST IN THE 21 PROVISION OF HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION 22 SERVICES; 23 (III)FOR A PARTNERSHIP OR LIMITED PARTNERSHIP, THE NAME 24 AND ADDRESS OF EACH PARTNER OR LIMITED PARTNER; FOR A JOINT VENTURE APPLICANT, THE NAME AND ADDRESS 25 (IV) 26 OF EACH PARTY TO THE JOINT VENTURE; FOR AN APPLICANT THAT ACTS AS A CONTRACTOR THROUGH A 27 (V) 28 FIRM, THE NAME AND ADDRESS OF THE RESIDENT AGENT OF THE FIRM IN THE **29 STATE**; A COMPLETE DESCRIPTION OF THE NATURE OF THE BUSINESS 30 (VI) 31 OF THE APPLICANT: AND 32 THE TRADE NAME OR FIRM NAME OF THE APPLICANT. (VII)

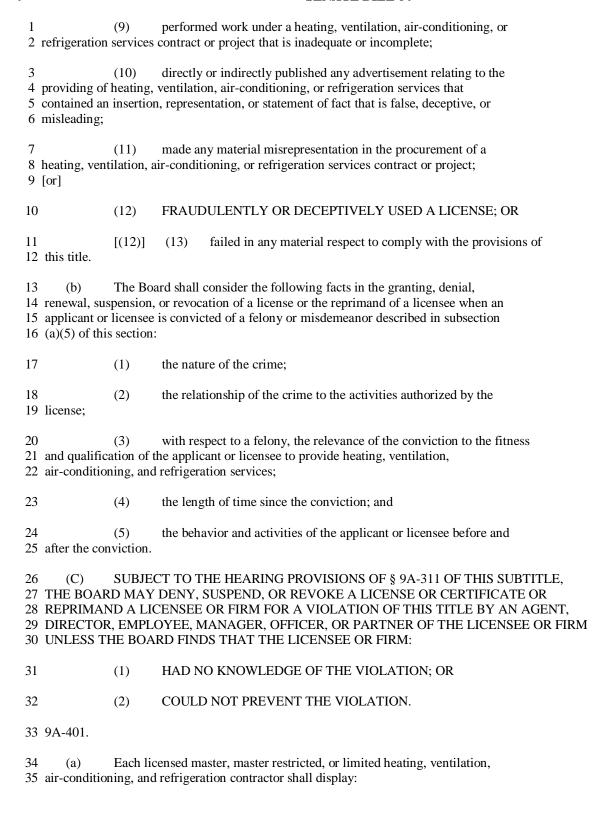
TO EVALUATE THE QUALIFICATIONS OF AN APPLICANT FOR A

34 CERTIFICATE, THE BOARD MAY ASK THE APPLICANT FOR:

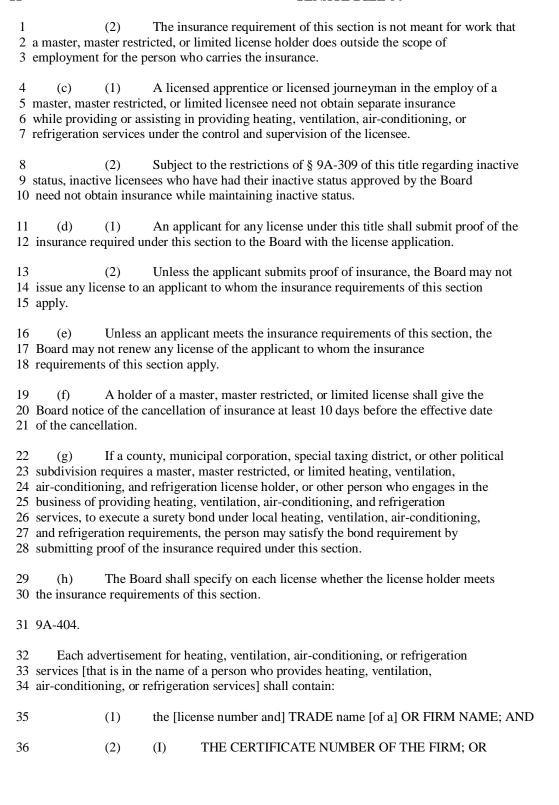
1 2	HELD A PR	OFESSIO	(I) ONAL OI	INFORMATION ABOUT WHETHER THE APPLICANT HAS EVER VOCATIONAL LICENSE IN THIS OR ANY OTHER STATE;		
3 4	HAD A PRO)FESSIO	(II) NAL OR	INFORMATION ABOUT WHETHER THE APPLICANT HAS EVER VOCATIONAL LICENSE DENIED, SUSPENDED, OR REVOKED;		
7		EN AND		A RECORD OF THE APPLICANT'S EXPERIENCE IN THE FIELDS OF AIR-CONDITIONING, AND REFRIGERATION, INCLUDING ESSES WHERE THE APPLICANT HAS RESIDED OR DONE		
9			(IV)	ANY OTHER INFORMATION REQUESTED BY THE BOARD.		
10	9A-309.					
11 12	(a) a license exp			e is renewed for a 2-year term as provided in this section, ctober 1 that comes:		
13		(1)	after the	effective date of the license; and		
14		(2)	in an ode	d-numbered year.		
15 16	(b) Before the license expires, the licensee may renew it for an additional 2-year term, if the licensee:					
17		(1)	otherwis	e is entitled to be granted a license;		
18		(2)	pays to t	he Board a renewal fee established by the Board; and		
19		(3)	submits:			
20			(i)	proof of insurance as provided by § 9A-402 of this title; and		
21			(ii)	a renewal application in the form that the Board provides.		
	` /			S A CERTIFICATE IS RENEWED FOR A 2-YEAR TERM AS ON, A CERTIFICATE EXPIRES ON THE FIRST OCTOBER 1		
25			(I)	AFTER THE EFFECTIVE DATE OF THE CERTIFICATE; AND		
26			(II)	IN AN ODD-NUMBERED YEAR.		
27 28	AN ADDIT	(2) IONAL 2		E THE CERTIFICATE EXPIRES, THE FIRM MAY RENEW IT FOR FERM, IF THE FIRM:		
29			(I)	OTHERWISE IS ENTITLED TO BE GRANTED A CERTIFICATE;		
30			(II)	SUBMITS:		

1 2	TITLE; AND		1.	PROOF OF INSURANCE AS PROVIDED BY § 9A-402 OF THIS
3	PROVIDES.		2.	A RENEWAL APPLICATION IN THE FORM THAT THE BOARD
5 6	[(c)] (D) to each licensee who			renew the license of and issue a renewal certificate ments of this section.
9	Board for inactive s	tatus, durii	nd refrig ng which	ime of renewal, a licensee who holds a valid heating, eration contractor license may apply to the time the licensee may not provide heating, eration services in the State.
	(2) individual shall me section.			wishes to renew a license on inactive status, the of items (b)(1), (b)(2), and (b)(3)(ii) of this
14 15	(3) requirements of sub			ve status the licensee must meet the renewal section.
	(4) this section, or reac on the first October	tivates the	license a	e on inactive status renews the license as provided in as provided in this section, the license expires
19 20	licensee; and	(i)	after th	e inactive status certificate has been issued to the
21		(ii)	in an o	dd-numbered year.
	[(e)] (F) expiration of a licer AND A LATE FER			cation for restoration is made within 90 days of y be restored only on payment of a renewal fee
25 26	(2) the Board [may] SH			r restoration is not made within the 90-day period,
27 28	applicant had never	(I) been licer		ance with the process for initial applications as if the
29		(II)	1.	PAYMENT OF A \$25 LATE FEE; AND
30 31	PERIOD OR PORT	ΓΙΟΝ OF I	2. RENEW	PAYMENT OF A RENEWAL FEE FOR EACH RENEWAL AL PERIOD THE LICENSE HAS BEEN EXPIRED.
32 33	[(f)] (G) license issued under	(1) or this title		as provided in subsection [(g)] (H) of this section, a nsferable.
34	(2)	A CER	TIFICAT	E ISSUED UNDER THIS TITLE IS NOT TRANSFERABLE.





2	place of business of t		e; and				
3			ise number of the licensee on each vehicle used on the job for air-conditioning, or refrigeration services.				
5	(b) EACH	FIRM SH	ALL DISPLAY:				
6 7	(1) BUSINESS OF THE		ERTIFICATE IN PUBLIC VIEW IN THE PRINCIPAL PLACE OF ND				
8 9	` '		CH VEHICLE USED BY THE FIRM FOR PROVIDING HEATING, TIONING, AND REFRIGERATION SERVICES:				
10)	(I)	THE CERTIFICATE NUMBER OF THE FIRM; OR				
11		(II)	THE LICENSE NUMBER OF THE INDIVIDUAL WHO:				
		R-COND	1. DIRECTS AND CONTROLS THE PROVISION OF HEATING ITIONING, AND REFRIGERATION SERVICES THROUGH THE				
15 16	5 5 LICENSE, OR LIM	ITED LIC	2. HOLDS A MASTER LICENSE, MASTER RESTRICTED ENSE.				
	3 of name, address, or	employm	ND FIRM shall give the Board written notice of any change ent from that which appears on the current license OR orking days before the change is to take effect.				
20	9A-402.						
23 24	(a) A FIRM OR A holder of a master, master restricted, or limited heating, a ventilation, air-conditioning, and refrigeration license may not contract to provide services on behalf of the licensee, or another person who provides heating, ventilation, air-conditioning, or refrigeration services, unless the work of the licensee OR FIRM, including completed operations, is covered by:						
26	5 (1)	general l	liability insurance in the amount of at least \$300,000; and				
27	(2)	property	damage insurance in the amount of at least \$100,000.				
28	B (b) (1)	The insu	arance required under this section may be bought:				
29 30		(i) itioning, a	by a holder of a master, master restricted, or limited heating, nd refrigeration license; or				
	2 providing heating, ve		by the FIRM OR OTHER person who engages in the business of air-conditioning, or refrigeration services and employs er restricted, or limited license.				



- 1 (II) THE LICENSE NUMBER OF THE master, master restricted, or
- 2 limited license holder [whom the person employs and designates to direct] WHO
- 3 DIRECTS and [control] CONTROLS the provision of heating, ventilation,
- 4 air-conditioning, or refrigeration services through the business of the [person] FIRM.
- 5 9A-505.
- 6 (a) (1) In this section, "officer" includes a superintendent, manager, or agent
- 7 of a corporation OR BUSINESS ENTITY OPERATING THROUGH THE USE OF A TRADE
- 8 NAME regardless of whether the corporation OR BUSINESS ENTITY provides heating,
- 9 ventilation, air-conditioning, or refrigeration services.
- 10 (2) Any person, including an officer, who violates § 9A-501, § 9A-502, §
- 11 9A-503, or § 9A-504 of this title is guilty of a misdemeanor, and on conviction is
- 12 subject to a fine not exceeding [\$50 for each day or part of each day that the violation
- 13 continues] \$2,000 OR IMPRISONMENT NOT EXCEEDING 6 MONTHS OR BOTH.
- 14 (b) Any person who knowingly and willfully violates any provision of § 9A-402
- 15 of this title is guilty of a misdemeanor, and on conviction is subject to a fine not
- 16 exceeding [\$1,000] \$2,000 or imprisonment not exceeding 6 months or both.
- 17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take 18 effect July 1, 1999.