

**Department of Legislative Services**  
Maryland General Assembly  
2015 Session

**FISCAL AND POLICY NOTE**

Senate Bill 864

(Senator Klausmeier)

Education, Health, and Environmental Affairs

Economic Matters

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**State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration  
Contractors - Cease and Desist Orders - Authority**

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This bill authorizes the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration (HVACR) Contractors, subject to specified notification and hearing provisions, to issue a cease and desist order for a violation of any provision of the Maryland HVACR Contractors Act or any regulation adopted under the Act. Specifically, after a hearing, if the board finds that a person has violated the Act or regulations adopted under the Act, the board may order the person to cease and desist from the violation and any further similar violations. Any party aggrieved by a decision and order of the board under the bill may appeal as provided for in State law.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State finances or operations.

**Local Effect:** The bill does not materially affect the caseload of circuit courts.

**Small Business Effect:** Minimal. The bill likely applies to a limited number of circumstances.

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**Analysis**

**Current Law:** 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. “Providing heating, ventilation, air-conditioning, or refrigeration 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. In general, an individual must be licensed by the board prior to providing or offering to provide HVACR services in the State.

If the board concludes that any conduct alleged to be in violation of the Maryland HVACR Act will result in harm to any citizen of the State, the board may seek a permanent or temporary injunction with respect to the conduct from the circuit court of any county in which the alleged violation occurs, or in which the violator has its principal place of business.

### *Civil Penalties*

In general, the board may impose a civil penalty of up to \$5,000 for any violation of the Maryland HVACR Act. The board may also, for specified civil violations, deny a license application or renewal, reprimand a licensee, or suspend or revoke a license. Generally, five violations of the Act are misdemeanors and are subject to a maximum penalty of a \$1,000 fine and/or six months imprisonment for a first offense:

- providing or assisting in the provision of HVACR services without a master license or maintaining or repairing HVACR systems without a limited license;
- employing unlicensed individuals to provide HVACR services where the employer is in the business of providing HVACR services;
- knowingly employing unlicensed individuals to provide HVACR services;
- representing that a person is licensed to provide HVACR services when that person is not licensed; or
- providing HVACR services without fulfilling specified insurance requirements.

Enhanced penalties exist for subsequent violations except for those related to fulfilling the Act's insurance requirements.

**Background:** The State Board of HVACR Contractors was established by Chapter 649 of 1992 to license individuals who offer HVACR services. The board is also the sole determiner of the State mechanical code; directs continuing education courses; and administers other minimum standards for State, county, and local government HVACR inspectors. The board is housed within the Department of Labor, Licensing, and Regulation's Division of Occupational and Professional Licensing.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Judiciary (Administrative Office of the Courts); Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 17, 2015  
min/mcr

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