

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1162

(Delegate Stein)

Economic Matters

Education, Energy, and the Environment

**Heating, Ventilation, Air-Conditioning, or Refrigeration Contractors -
Equipment Sales**

This bill prohibits a person from knowingly selling (or offering to sell) heating, ventilation, air-conditioning, or refrigeration (HVACR) equipment to another person unless the individual purchasing the equipment (1) holds a master license, a master restricted license, or a limited license (or employs an individual with a license) issued by the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors to provide (or assist in providing) HVACR services; (2) operates a business that resells HVACR equipment to individuals licensed by the board; or (3) is not required to be licensed under specified provisions of State law. This requirement does not apply to a person who (1) sells construction materials other than materials involved in the installation of HVACR equipment and (2) derives less than 25% of the person's revenues from the sale of HVACR equipment. The bill also establishes requirements for sellers to provide notice to purchasers of HVACR equipment at the time of sale. By January 1, 2026, the board must adopt regulations to carry out the bill's requirements. A person who violates the bill's requirements is subject to a civil penalty of up to \$1,000 for a first violation or \$5,000 for a second or subsequent violation.

Fiscal Summary

State Effect: The State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors can implement the bill's requirements with existing resources. Potential minimal increase in general fund revenues due to the bill's penalty provisions.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: A person that sells HVACR equipment must, at the time of sale, provide a written notice to the individual purchasing the equipment that contains information prescribed by the board regarding the requirement that an individual must be licensed by the board before providing (or assisting in providing) HVACR services in the State, as specified.

Current Law: The State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors licenses and regulates individuals who provide commercial and residential HVACR services in accordance with Title 9A of the Business Regulation Article. The board is also authorized to adopt applicable regulations for the provision of HVACR services, including codes and minimum standards for the installation, alteration, remodeling, maintenance and repair of HVACR systems.

The board investigates complaints against licensees and complaints related to unlicensed practice. The board may pursue disciplinary charges against an individual for violations of applicable laws or regulations, conduct hearings and, if warranted, impose administrative sanctions including suspension or revocation of a license and/or assessment a civil penalty of up to \$5,000 for each violation.

Small Business Effect: Small business owners that currently purchase HVACR equipment and are not licensed as required by the bill (or do not employ a licensed individual) may be unable to purchase HVACR equipment, assuming such business owners are not otherwise exempt under the bill's requirements.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

Fiscal Note History:
km/mcr

First Reader - February 24, 2025

Third Reader - March 25, 2025

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