

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1162 (Delegate Stein)
Economic Matters

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) is licensed by (or employs an individual licensed by) the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors to provide (or assist in providing) HVACR services or (2) is not required to be licensed under specified provisions of State law. The bill also establishes requirements for sellers to collect information from (or 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.

Fiscal Summary

State Effect: None. The State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors can implement the bill's requirements with existing resources. No effect on revenues.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: A "seller" means a person that owns a business that has gross annual revenue of \$100,000 or more from the sale of HVACR equipment.

A person that sells HVACR equipment must collect the name and license number of an individual who purchases HVACR equipment at the time of sale. If a person is unable to do so, the person must provide a written notice to the individual with 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.

A seller must file a report with the board within one month after the end of each fiscal year that lists the name and license number of each individual that purchased HVACR equipment from the seller during the preceding fiscal year.

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: To the extent small businesses that sell HVACR equipment qualify as a “seller,” they are subject to the bill’s requirement to either (1) collect the name and license number of a purchaser of such equipment or (2) provide the specified written notice. Additionally, any such businesses must file the required annual report with the board each year.

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: First Reader - February 24, 2025
km/mcr

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