

HOUSE BILL 1162

C2

5lr3199

By: **Delegate Stein**

Introduced and read first time: February 6, 2025

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2025

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of prohibiting a person from knowingly offering to sell or selling heating,
5 ventilation, air-conditioning, or refrigeration equipment to an individual that ~~is~~ does
6 not ~~licensed~~ hold a certain license issued by the Board of Heating, Ventilation,
7 Air-Conditioning, or Refrigeration Contractors except under certain circumstances;
8 requiring certain persons to ~~collect certain information from or~~ provide a certain
9 notice to purchasers of heating, ventilation, air-conditioning, or refrigeration
10 equipment at the time of sale; ~~requiring certain sellers of heating, ventilation,~~
11 ~~air-conditioning, or refrigeration equipment to submit a certain report to the Board~~
12 ~~each fiscal year~~; and generally relating to heating, ventilation, air-conditioning, or
13 refrigeration contractors.

14 BY repealing and reenacting, without amendments,
15 Article – Business Regulation
16 Section 9A-103, 9A-201, and 9A-301
17 Annotated Code of Maryland
18 (2024 Replacement Volume)

19 BY adding to
20 Article – Business Regulation
21 Section 9A-501.1
22 Annotated Code of Maryland
23 (2024 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,

2 Article – Business Regulation

3 Section 9A–505

4 Annotated Code of Maryland

5 (2024 Replacement Volume)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7 That the Laws of Maryland read as follows:

8 **Article – Business Regulation**

9 9A–103.

10 This title does not limit the right of:

11 (1) an individual owner of a single–family dwelling while that owner is
12 practicing heating, ventilation, air–conditioning, or refrigeration services on or within a
13 building or structure owned by the individual;

14 (2) an individual who is building a single–family dwelling in which that
15 individual will reside while practicing heating, ventilation, air–conditioning, or
16 refrigeration services on or within that dwelling;

17 (3) an employee of a public utility company regulated by the Public Service
18 Commission, when engaged in:

19 (i) the development, construction, maintenance, or repair of electric
20 or gas facilities located in the State; or

21 (ii) the construction, maintenance, or repair of electric or gas
22 appliances in the service area of the public utility;

23 (4) subject to § 9A–403(a) of this title, an employee of the United States
24 government, the State government, a local government, or an independent agency while
25 that employee is practicing heating, ventilation, air–conditioning, or refrigeration services
26 on or within buildings or structures owned or solely occupied by the United States
27 government, the State government, a local government, or an independent agency;

28 (5) an individual employed in the installation, maintenance, alteration,
29 repair, or replacement of self–contained appliances requiring not more than 225 volts or 25
30 amperes of electrical current;

31 (6) an individual possessing a master electrician’s license issued by the
32 State or any county, when engaged in the installation, alteration, service, repair, or
33 replacement of individually controlled electric resistance heat;

(7) an individual possessing a master plumber's license issued by the State, Baltimore County, or the Washington Suburban Sanitary Commission when providing heating, ventilation, air-conditioning, or refrigeration services on hydronic heating systems;

(8) an individual possessing a license to practice engineering when providing heating, ventilation, air-conditioning, or refrigeration services in connection with the practice of engineering;

(9) an individual who installs, alters, remodels, maintains, or repairs oil burners exclusively while employed by a supplier of home heating fuel; or

(10) an individual regularly employed by the owner of property, or the owner's agent, to engage in maintenance and repair work.

9A-201.

There is a State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors in the Department.

9A-301.

Except as otherwise provided in this title, an individual shall be licensed by the Board before the individual provides or assists in providing heating, ventilation, air-conditioning, or refrigeration services in the State.

9A-501.1.

~~(A) IN THIS SECTION, "SELLER" MEANS A PERSON THAT OWNS A BUSINESS THAT HAS A GROSS ANNUAL REVENUE OF \$100,000 OR MORE FROM THE SALE OF HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION EQUIPMENT.~~

~~(B)~~ **(1) THIS SUBSECTION DOES NOT APPLY TO A PERSON WHO:**

(I) SELLS CONSTRUCTION MATERIALS OTHER THAN MATERIALS INVOLVED IN THE INSTALLATION OF HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION EQUIPMENT; AND

(II) DERIVES LESS THAN 25% OF THE PERSON'S REVENUES FROM THE SALE OF HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION EQUIPMENT.

(2) A PERSON MAY NOT KNOWINGLY SELL OR OFFER TO SELL HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION EQUIPMENT TO ANOTHER PERSON, UNLESS THE INDIVIDUAL PURCHASING THE EQUIPMENT:

~~(1)~~ (I) ~~IS LICENSED BY~~ HOLDS A MASTER LICENSE, A MASTER RESTRICTED LICENSE, OR A LIMITED LICENSE OR EMPLOYS AN INDIVIDUAL ~~LICENSED BY THE~~ WHO HOLDS A MASTER LICENSE, A MASTER RESTRICTED LICENSE, OR A LIMITED LICENSE ISSUED BY THE BOARD TO PROVIDE OR ASSIST IN PROVIDING HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION SERVICES;

(II) OPERATES A BUSINESS THAT RESELLS HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION EQUIPMENT TO INDIVIDUALS LICENSED BY THE BOARD; OR

~~(2)~~ (III) IS NOT REQUIRED TO BE LICENSED UNDER § 9A-103 OF THIS TITLE.

~~(C)~~ (B) ~~(1)~~ A PERSON THAT SELLS HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION EQUIPMENT SHALL ~~COLLECT THE NAME AND LICENSE NUMBER OF AN INDIVIDUAL WHO PURCHASES HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION EQUIPMENT AT THE TIME OF SALE.~~

~~(2)~~ ~~IF A PERSON IS NOT ABLE TO COLLECT THE NAME AND LICENSE NUMBER OF AN INDIVIDUAL WHO PURCHASED EQUIPMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE PERSON SHALL, AT THE TIME OF SALE, PROVIDE A WRITTEN NOTICE TO THE INDIVIDUAL WITH PURCHASING THE EQUIPMENT THAT CONTAINS INFORMATION PRESCRIBED BY THE BOARD REGARDING THE REQUIREMENT THAT AN INDIVIDUAL BE LICENSED BY THE BOARD BEFORE PROVIDING OR ASSISTING IN PROVIDING HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION SERVICES IN THE STATE, INCLUDING THE INSTALLATION OF HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION EQUIPMENT.~~

~~(D)~~ ~~A SELLER SHALL FILE A REPORT WITH THE BOARD WITHIN 1 MONTH AFTER THE END OF EACH FISCAL YEAR THAT LISTS THE NAME AND LICENSE NUMBER OF EACH INDIVIDUAL THAT PURCHASED HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION EQUIPMENT FROM THE SELLER DURING THE PRECEDING FISCAL YEAR.~~

~~(E)~~ (C) ON OR BEFORE JANUARY 1, 2026, THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

9A-505.

(a) (1) In this section, "officer" includes a superintendent, manager, or agent of a corporation regardless of whether the corporation provides heating, ventilation, air-conditioning, or refrigeration services.

(2) Any person, including an officer, who violates § 9A–501, § 9A–502, § 9A–503, or § 9A–504 of this subtitle is guilty of a misdemeanor, and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 6 months or both and, on a second or subsequent conviction, subject to a fine not exceeding \$5,000 or imprisonment not exceeding 2 years or both.

(3) ANY PERSON, INCLUDING AN OFFICER, WHO VIOLATES § 9A–501.1 OF THIS SUBTITLE IS SUBJECT TO:

(I) FOR A FIRST VIOLATION, A CIVIL PENALTY NOT EXCEEDING \$1,000; AND

(II) FOR A SECOND OR SUBSEQUENT VIOLATION, A CIVIL PENALTY NOT EXCEEDING \$5,000.

(b) Any person who violates any provision of § 9A–402 of this title is guilty of a misdemeanor, and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 6 months or both.

(c) (1) Except as otherwise provided by this title, the Board may impose on a person who violates any provision of this title a penalty not exceeding \$5,000 for each violation.

(2) In setting the amount of the penalty, the Board shall consider:

(i) the seriousness of the violation;

(ii) the harm caused by the violation;

(iii) the good faith of the violator;

(iv) any history of previous violations by the violator; and

(v) any other relevant factors.

(3) The Board shall pay any penalty collected under this subsection into the General Fund of the State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.