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Title 45.
Chapter 16A
(New)
HVACR
Contractors
§§1-28 -
C.45:16A-1 to
45:16A-28
§32 Note to §7

P.L. 2007, CHAPTER 211, *approved December 20, 2007*
Assembly, No. 1016 (*Third Reprint*)

1 AN ACT providing for the licensing of heating, ventilating ¹**[and]** ¹
2 air conditioning ¹and refrigeration¹ contractors, amending
3 P.L.1971, c.60, P.L.1974, c.46 and P.L.1978, c.73 and
4 supplementing Title 45 of the Revised Statutes.

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. (New section) Sections 1 through ¹**[22]** ²**[27¹]** 28² of this
10 act shall be known and may be cited as "The State Heating,
11 Ventilating ¹**[and]** ¹ Air Conditioning ¹and Refrigeration¹
12 Contracting License Law."

13
14 2. (New section) As used in this act:
15 ¹**["Apprentice HVAC tradesperson" means any person who, as**
16 his principal occupation, is engaged in learning and assisting in the
17 installation and servicing of HVAC systems.]¹

18 "Board" means the State Board of Examiners of Heating,
19 Ventilating ¹**[and]** ¹ Air Conditioning ¹and Refrigeration¹
20 Contractors created by section 3 of this act.

21 "Bona fide representative" means: in the case of a sole
22 proprietorship, the owner; in the case of a partnership, a partner; in
23 the case of a limited liability company, a manager; or in the case of
24 a corporation, an executive officer.

25 "Director" means the Director of the Division of Consumer
26 Affairs in the Department of Law and Public Safety.

27 "Heating, ventilating ¹**[and]** ¹ air conditioning ¹and
28 refrigeration¹" or ¹**["HVAC"]** ¹"HVACR"¹ means the process of
29 treating and protecting the environment by the responsible handling,
30 dispensing, collecting and cleaning of chlorofluorocarbons and
31 other refrigerants in stationary sources, and controlling the
32 temperature, humidity and cleanliness of air by using the "wet,"
33 "dry," "radiant," "conduction," "convection," "direct," or "indirect"

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ARP committee amendments adopted December 7, 2006.

²Senate SLA committee amendments adopted June 21, 2007.

³Assembly amendments adopted in accordance with Governor's recommendations December 10, 2007.

1 method or combination of methods, including those which utilize
2 solar energy, to meet the environmental requirements of a
3 designated area. ¹["HVAC"] "HVACR"¹ also means the
4 installation, ¹servicing, connecting,¹ maintenance ¹["and"] or¹ repair
5 of ¹the following¹:

6 power boiler systems, hydronic heating systems, fire tube and
7 water tube boilers, pressure steam and hot water boilers, furnaces
8 and space heaters, and appurtenances utilizing electric, fossil fuel ¹ ,
9 wood pellets¹ or solar energy¹, ¹ other than ¹those appurtenances
10 utilized solely¹ for the ¹["use"] purpose¹ of heating potable water;

11 warm air heating or refrigeration and evaporative cooling
12 systems, ventilation and exhaust systems, dust collectors, air
13 handling equipment, heating or cooling coils, air or refrigerant
14 compressors, chillers, cooling towers, evaporators, condensers,
15 plenums, fans, blowers, air cleaners, mechanical ventilation for
16 radon mitigation, humidifiers, filters, louvers, mixing boxes and
17 appurtenances; hydronic heating and chilled water pipe, condensate
18 piping not regulated under P.L.1968, c.362 (C.45:14C-1 et seq.),
19 valves, fittings, ²["fuel oil storage tanks not regulated under
20 P.L.1986, c.102 (C.58:10A-21 et seq.),"]² burners and piping,
21 hydronic heating, expansion tanks, pumps, gauges, humidity and
22 thermostatic controls;

23 natural or manufactured gas piping on the load side of a meter;
24 supply water piping to equipment being served from an existing
25 dedicated source connected downstream from an approved
26 backflow preventer, except in replacement cases, the installation of
27 the required approved backflow device downstream from a pre-
28 existing valve; and ¹["the maintaining, installing or connecting of:"]¹
29 pneumatic controls and control piping, for the control of air, liquid,
30 or gas temperatures, radiators, convectors, unit cabinet heaters, ³or³
31 fan coil units ³["flues, or patented chimneys"]³ ; and pneumatic
32 controls and control piping, of automatic oil, gas or coal burning
33 equipment, mechanical refrigeration equipment, gasoline or diesel
34 oil dispensing equipment and in replacement cases only, the
35 connection thereof of the wiring from an electrical service
36 disconnect box of adequate size to accommodate the equipment and
37 controls and previously dedicated to that equipment, and the testing
38 and balancing of air and hydronic systems, but does not include the
39 design or preparation of specifications for equipment or systems to
40 be installed that are within the practice of professional engineering
41 as defined in subsection (b) of section 2 of P.L.1938, c.342 (C.45:8-
42 28).

43 "Heating, ventilating ¹["and"] ¹ air conditioning ¹and
44 refrigeration¹ contracting" means undertaking or advertising to
45 undertake, for a fixed price, fee, commission, or gain of whatever
46 nature, the planning, laying out, installation, construction,

1 maintenance, service, repair, alteration or modification to any
 2 portion of any system, product or equipment or appurtenances used
 3 for the environmental needs or control of any heating, ventilating
 4 ~~'[and] ,'~~ air conditioning ~~'and refrigeration'~~ system.

5 ~~"[Heating] Master heating'~~, ventilating ~~'[and] ,'~~ air
 6 conditioning ~~'and refrigeration'~~ contractor" means any person,
 7 firm, partnership, corporation or other legal entity licensed
 8 according to the provisions of this act which obtains a pressure seal
 9 pursuant to sections ~~'[18] ²[23¹]_{24²}~~ and ~~'[19] ²[24¹]_{25²}~~ of this
 10 act and which advertises, undertakes or offers to undertake for
 11 another the planning, laying out, supervising, installing,
 12 ~~'servicing'~~ or repairing of ~~'[HVAC] HVACR'~~ systems, apparatus
 13 or equipment. In order to act as ~~'[an "HVAC contractor,"]~~ a
 14 ~~"Master HVACR contractor^{2,2}"~~ an individual shall be a bona fide
 15 representative of the legal entity licensed pursuant to the provisions
 16 of this act.

17 ~~'["Journeyman HVAC tradesperson"] "HVACR~~
 18 ~~journeyperson"'~~ means any person who installs, alters, repairs
 19 ~~'[and] services or'~~ renovates ~~'[HVAC] HVACR'~~ systems in
 20 accordance with standards, rules and regulations established by the
 21 board and who works under the supervision of ~~'[an HVAC] a~~
 22 ~~Master HVACR'~~ contractor.

23 "Retrofit" means a change in design, construction or equipment
 24 already in operation in order to incorporate later improvements.

25 "Replacement" means a change of equipment with the same type
 26 or similar equipment.

27 ~~'"Undertake or offer to undertake for another" means a~~
 28 ~~contractor who is listed in a public bid as the proposed~~
 29 ~~subcontractor by the contractor placing the bid for ²[a]an² HVACR~~
 30 ~~contract.'~~
 31

32 3. (New section) There is created within the Division of
 33 Consumer Affairs in the Department of Law and Public Safety the
 34 State Board of Examiners of Heating, ~~'[Ventilation and]~~
 35 ~~Ventilating.'~~ Air Conditioning ~~'and Refrigeration'~~ Contractors.
 36 The board shall consist of nine members who are residents of the
 37 State of New Jersey and who, except for the member from the
 38 department in the Executive Branch of State Government, shall be
 39 appointed by the Governor. In addition to the two public members
 40 appointed to represent the interests of the public pursuant to the
 41 provisions of subsection b. of section 2 of P.L.1971, c.60 (C.45:1-
 42 2.2), one member shall be from a department in the Executive
 43 Branch of State Government who shall serve without compensation
 44 at the pleasure of the Governor; three members shall be practicing
 45 ~~'[HVAC] Master HVACR'~~ contractors with at least 10 years
 46 experience; two members shall be mechanical inspectors with at

1 least 10 years experience; and one member shall be ²[a]an²
 2 ¹[journeyman HVAC tradesperson] HVACR journeyperson¹ of at
 3 least 10 years experience.

4 The Governor shall appoint each member, other than the State
 5 executive department member, for terms of four years, except that
 6 of the members first appointed, other than the State executive
 7 department member, two shall serve for a term of four years, two
 8 shall serve for a term of three years, two shall serve for a term of
 9 two years, and two shall serve for terms of one year. Any vacancy
 10 in the membership shall be filled for the unexpired term in the
 11 manner provided for the original appointment. No member of the
 12 board may serve more than two successive terms in addition to any
 13 unexpired term to which he has been appointed. The Governor may
 14 remove any member of the board, other than the State executive
 15 department member, for cause.

16

17 4. (New section) The board shall, in addition to other powers
 18 and duties it may possess by law:

19 a. Administer the provisions of this act;

20 b. Examine and pass on the qualifications of all applicants for
 21 license under this act, and issue a license to each qualified
 22 successful applicant;

23 c. Examine, evaluate and supervise all examinations and
 24 procedures;

25 d. Adopt a seal which shall be affixed to all licenses issued by it;

26 e. Adopt rules and regulations pursuant to the "Administrative
 27 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) as it may
 28 deem necessary to enable it to perform its duties under and to
 29 enforce the provisions of this act;

30 f. Annually publish a list of the names and addresses of all
 31 persons who are licensed under this act;

32 g. Establish standards for continuing education; and

33 h. Prescribe or change the charges for examinations, licensures,
 34 renewals and other services performed pursuant to P.L.1974, c.46
 35 (C.45:1-3.1 et seq.).

36

37 5. (New section) Any person desiring to obtain a State
 38 ¹[HVAC] Master HVACR¹ contractor's license shall make
 39 application for licensure to the board and shall pay all the fees
 40 required in connection with the application, and be examined as
 41 required by this act.

42

43 6. (New section) On or after the effective date of this act, a
 44 municipality, local board of health or any other agency shall not
 45 issue or renew any ¹[HVAC] Master HVACR¹ contractor's license.

46

47 7. (New section) a. A person shall not work as ¹[an HVAC] a

1 Master HVACR¹ contractor or use the title or designation of
2 "licensed ¹[HVAC] Master HVACR¹contractor" or ¹["HVAC]
3 Master HVACR¹ contractor" unless licensed pursuant to the
4 provisions of this act.

5 b. A person, firm, partnership, corporation or other legal entity
6 shall not engage in the business of ¹[HVAC] HVACR¹ contracting
7 or advertise in any manner as ¹[an HVAC] a Master HVACR¹
8 contractor or use the title or designation of "licensed ¹[HVAC]
9 Master HVACR¹ contractor" or ¹["HVAC] Master HVACR¹
10 contractor" unless authorized to act as ¹[an HVAC] a Master
11 HVACR¹ contractor pursuant to the provisions of this act.
12

13 8. (New section) Nothing in this act shall be construed to
14 prevent ¹[the practice of engineering by a holder of a license to
15 practice that profession in this State, but no engineer] any person
16 licensed by the State, including, but not limited to, architects,
17 professional engineers, electrical contractors, ³[or]³ master
18 plumbers, ³or any chimney service professional registered as a
19 home improvement contractor with the Division of Consumer
20 Affairs, ³ from acting within the scope of practice of his profession
21 or occupation, but no person¹ shall use the designation "licensed
22 ¹[HVAC] Master HVACR¹ contractor" unless licensed as ¹[an
23 HVAC] a Master HVACR¹ contractor under the provisions of this
24 act.
25

26 9. (New section) The provisions of this act shall not apply to a
27 single family home owner who personally occupies his own
28 dwelling and who solely performs ¹[HVAC] HVACR¹ work on his
29 own dwelling, upon receipt of all required permits, except that any
30 ¹[HVAC] HVACR¹ work involving chlorofluorocarbons (CFC's)
31 or hydrochlorofluorocarbons (HCFC's) shall be performed only by a
32 licensed ¹[HVAC] Master HVACR¹ contractor.
33

34 10. (New section) The provisions of this act shall not apply to
35 any public utility company regulated by the Board of Public
36 Utilities pursuant to Title 48 of the Revised Statutes ¹[that performs
37 emergency repair services to prevent an imminent threat to the
38 health and safety of life or property, which repair services include,
39 but are not limited to, turning off, disconnecting, shutting down or
40 disabling any equipment or condition or the provision of any
41 products] , or any related competitive business segment of that
42 public utility that offers competitive services pursuant to the
43 "Electric Discount and Energy Competition Act," P.L.1999, c.23
44 (C.48:3-49 et al.). The provisions of this act also shall not apply to
45 HVACR work performed on buildings, structures or premises

1 owned or operated by a public utility holding company or its
 2 subsidiaries¹.

3
 4 11. (New section) The provisions of this act shall not deny to
 5 any municipality the power to inspect ¹[HVAC] HVACR¹ work or
 6 equipment or the power to enforce the standards and manner in
 7 which ¹[HVAC] HVACR¹ work shall be done, but no municipality,
 8 local board of health or other agency shall require any ¹[HVAC]
 9 Master HVACR¹ contractor licensed under this act, or authorized to
 10 engage in the business of ¹[HVAC] HVACR¹ contracting under
 11 this act, to obtain any additional license, apply for or take any
 12 examination, or pay any licensing fee.

13
 14 ²12. (New section) The provisions of this act shall not apply to
 15 any liquefied petroleum gas marketer licensed by the Department of
 16 Community Affairs pursuant to subchapter 10 of chapter 18 of Title
 17 5 of the New Jersey Administrative Code.²

18
 19 ²[12.] 13.² (New section) Not less than 30 days and not more
 20 than 60 days prior to the date set for the examination for ¹[an
 21 HVAC] a Master HVACR¹ contractor's license, every person,
 22 except as provided in this act, desiring to apply for a license, who
 23 meets the qualifications as set forth in this act, shall deliver to the
 24 board, personally or by certified mail, return receipt requested,
 25 postage prepaid, a certified check or money order payable to the
 26 Treasurer of the State of New Jersey in the required amount,
 27 together with the written application required by the board,
 28 completed as described in the application, and together with proof
 29 of qualifications as described in this act.

30 The qualifications for ¹[an HVAC] a Master HVACR¹
 31 contractor's license shall be as follows: The person shall be 21 or
 32 more years of age and a citizen or legal resident of the United
 33 States, and shall have been employed in the ¹[HVAC] HVACR¹
 34 contracting business for a period of five years next preceding the
 35 date of his application for a license. ³[Three] One³ or more of the
 36 five years shall have been spent while engaged or employed as
 37 ²[a] an² ¹[journeyman HVAC tradesperson] HVACR
 38 journeyman or licensed plumber engaged in the work described¹.
 39 At least ²[two] four² years of the five years shall have been spent
 40 in ¹[an HVAC] ²[a] an² HVACR¹ apprenticeship or other training
 41 program approved by the ¹[United States] Department of
 42 ¹[Education] Labor¹, with proof of passage and successful
 43 completion of this program while actively engaged or employed as
 44 an apprentice as determined by the board. ³Successful completion
 45 of an HVAC program given by an accredited technical school, trade
 46 school, county college or community college shall satisfy two years

1 of the minimum four years that must be spent in an approved
2 apprenticeship or other training program.³ In lieu of the above
3 requirements a person shall have been awarded a bachelor's
4 degree¹: a.¹ in ¹[HVAC] HVACR¹ technology from an accredited
5 college or university in the United States which the board finds
6 acceptable and, in addition, shall have been engaged or employed in
7 the practical work of installing ¹[HVAC] HVACR¹ systems for
8 ³[three years] one year³¹; or b. from an accredited college or
9 university in the United States which the board finds acceptable
10 and, in addition, shall have been engaged or employed in the direct
11 supervision of the installation of HVACR systems for ³[five] three³
12 years.

13 Proof of compliance with the qualifications or those in lieu
14 thereof shall be submitted to the board in writing, sworn to by the
15 applicant, and accompanied by two recent passport-size
16 photographs of the applicant.

17

18 ²[13.] 14.² (New section) a. Every ¹[HVAC] Master HVACR¹
19 contractor's license examination shall be substantially uniform and
20 shall be designed so as to establish the competence and
21 qualifications of the applicant to perform the type of work and
22 business as described in this act. The examination may be
23 theoretical or practical in nature, or both.

24 b. The examination shall be held at least four times a year, at
25 Trenton or other place the board deems necessary. Public notice of
26 the time and place of the examination shall be given.

27 c. No person who has failed the examination shall be eligible to
28 be reexamined for a period of six months from the date of the
29 examination failed by that person.

30 d. All applicants for ¹[HVAC] Master HVACR¹ licenses,
31 renewals or reexaminations shall pay a fee for each license issuance
32 or renewal, or reexamination as determined by the board.

33

34 ²[14.] 15.² (New section) Licenses shall be renewed biennially
35 by the board upon written application of the holder and payment of
36 the prescribed fee and renewal of the bond required by section
37 ¹[17] ²[22']23² of this act. A license may be renewed without
38 reexamination, if the application for renewal is made within 30 days
39 next preceding or following the scheduled expiration date. Any
40 applicant for renewal making application at any time subsequent to
41 the 30th day next following the scheduled expiration date may be
42 required by the board to be ²[re-examined]reexamined², and that
43 person shall not continue to act as a licensed ¹[HVAC] Master
44 HVACR¹ contractor, as described in this act, and no firm,
45 corporation or other legal entity for which the person is the bona
46 fide representative shall operate under a license in the ¹[HVAC]

1 HVACR¹ business, as described in this act, until a valid license has
2 been secured or is held by a bona fide representative.

3 Any license expiring while the holder is outside the continental
4 limits of the United States in connection with any project
5 undertaken by the government of the United States, or while in the
6 services of the Armed Forces of the United States, shall be renewed
7 without the holder being required to be reexamined, upon payment
8 of the prescribed fee at any time within four months after the
9 person's return to the United States or discharge from the armed
10 forces, whichever is later.

11
12 ²[¹15.] 16.² (New section) The board shall require each Master
13 HVACR contractor, as a condition for biennial license renewal
14 pursuant to section ²[¹⁴]15² of this act, to complete any continuing
15 education requirements imposed by the board pursuant to section
16 ²[¹⁶]17² of this act.¹

17
18 ²[¹16.] 17.² (New section) a. The board shall:

19 (1) Establish standards for continuing HVACR education,
20 including the subject matter and content of courses of study, the
21 selection of instructors, and the number and type of continuing
22 education credits required of a licensed Master HVACR contractor
23 as a condition for biennial license renewal, except that the number
24 of credits required shall not exceed five in any biennial license
25 period;

26 (2) Approve educational programs offering credit towards the
27 continuing HVACR education requirements; and

28 (3) Approve other equivalent educational programs, and shall
29 establish procedures for the issuance of credit upon satisfactory
30 proof of the completion of these programs.

31 b. In the case of education courses and programs, each hour of
32 instruction shall be equivalent to one credit.¹

33
34 ²[¹17.] 18.² (New section) The board may, in its discretion,
35 waive requirements for continuing HVACR education on an
36 individual basis for reasons of hardship such as illness or disability,
37 retirement of the license or other good cause.¹

38
39 ²[¹18.] 19.² (New section) The board shall not require
40 completion of continuing HVACR education credits for an initial
41 renewal of license.¹

42
43 ²[¹19.]20.² (New section) In the event a Master HVACR
44 contractor completes a number of continuing education credit hours
45 in excess of the number required by the board pursuant to section
46 ²[¹⁶]17² of this act, the board may allow those extra credits to be

1 carried over to satisfy the Master HVACR contractor's continuing
2 education requirement for the next biennial licensure period, but
3 shall not be applicable thereafter.¹
4

5 ¹[15.] ²[20.¹] 21.² (New section) The board may in its
6 discretion grant licenses without examination to applicants so
7 licensed by other states; provided that equal reciprocity is provided
8 for New Jersey ¹[HVAC] Master HVACR¹ contractors by the law
9 of the applicant's domiciliary state and provided further that the
10 domiciliary state's standards are equal to or comparable to those of
11 this State.
12

13 ¹[16.] ²[21.¹] 22.² (New section) No firm, corporation or other
14 legal entity operating under and by virtue of this act shall be denied
15 the privilege of conducting and continuing the business of
16 ¹[HVAC] HVACR¹ contracting, by reason of death, termination of
17 employment, illness or a substantial disability of the bona fide
18 representative of the firm, corporation or other entity, provided that:
19 the firm, corporation or other entity has complied with the other
20 provisions of this act; the firm, corporation or other entity maintains
21 a place of business within this State; and another bona fide
22 representative of the entity obtains a State license within six months
23 from the date of the death, termination of employment, illness or
24 disability. The board may promulgate additional regulations
25 governing the management and operation of an entity during that
26 period of time when the entity shall be in operation without having
27 a bona fide representative.
28

29 ¹[17.] ²[22.¹] 23.² (New section) In addition to any other
30 bonds that may be required pursuant to contract, no ¹[HVAC]
31 Master HVACR¹ contractor licensed under this act shall undertake
32 to do any ¹[HVAC] HVACR¹ work in the State unless and until he
33 shall have first entered into a bond in favor of the State of New
34 Jersey in the sum of \$3,000 executed by a surety company
35 authorized to transact business in this State, approved by the
36 Department of Banking and Insurance and to be conditioned on the
37 faithful performance of the provisions of this act. No municipality
38 shall require any similar bond from any ¹[HVAC] Master HVACR¹
39 contractor licensed under this act. The board shall by rule and
40 regulation provide who shall be eligible to receive the financial
41 protection afforded by the bond required to be filed by this section.
42 The bond shall be for the term of 12 months and shall be renewed at
43 each expiration for a similar period.

1 ¹[18.] ²[23.] ¹ 24.² (New section) To be eligible to obtain and
 2 retain a pressure seal, and renew ¹[an HVAC] ²[a]an² HVACR¹
 3 license, ¹[an HVAC] a Master HVACR¹ contractor shall:

4 a. Secure, maintain and file with the board a certificate of
 5 general liability insurance from an insurance company authorized
 6 and licensed to do business in this State ²or proof of self-insurance
 7 approved by the Department of Banking and Insurance² covering
 8 the ¹[HVAC] Master HVACR¹ contracting done by that ¹[HVAC]
 9 HVACR¹ contractor. The minimum amount of general liability
 10 insurance shall be ¹[\$300,000] \$500,000¹ for the combined
 11 property damage and bodily injury to or death of one or more
 12 persons in any one accident or occurrence; ²and²

13 b. File with the board its Federal Tax Identification number ²[;
 14 and] .²

15 ²[c. Comply with any continuing education requirements
 16 regarding license renewal for ¹[an HVAC] a Master HVACR¹
 17 contractor established by the board through regulation ¹pursuant to
 18 section 16 of this act¹.] Every licensed HVACR contractor whose
 19 general liability policy is cancelled or nonrenewed shall submit to
 20 the board a copy of the certificate of general liability insurance for a
 21 new or replacement policy which meets the requirements of
 22 subsection a. of this section before the former policy is no longer
 23 effective.²

24 ³[Every certificate of insurance required to be filed with the
 25 board pursuant to this section shall provide that cancellation of the
 26 insurance shall not be effective unless and until at least 10 days'
 27 notice of intention to cancel has been received in writing by the
 28 board.]³

29
 30 ¹[19.] ²[24.] ¹ 25.² (New section) a. The board shall provide a
 31 pressure seal to ¹[an HVAC] a Master HVACR¹ contractor at the
 32 time of the issuance of a license or as soon thereafter as deemed
 33 appropriate by the board. No pressure seal shall be provided by the
 34 board or retained by ¹[an HVAC] a Master HVACR¹ contractor
 35 unless the ¹[HVAC] Master HVACR¹ contractor complies with the
 36 provisions of sections ¹[17] ²[22] ¹23² and ¹[18] ²[23] ¹24² of this
 37 act. The ¹[HVAC] Master HVACR¹ contractor shall pay the cost
 38 of the pressure seal, but the seal shall remain the property of the
 39 board. The pressure seal shall be surrendered to the board
 40 immediately upon suspension, revocation or expiration of the
 41 license or upon a finding of noncompliance with the provisions of
 42 section ¹[18] ²[23] ¹24² of this act.

43 b. ¹[An HVAC] A Master HVACR¹ contractor shall impress his
 44 pressure seal upon all applications for ¹[HVAC] HVACR¹ permits
 45 from the appropriate duly licensed State inspection agency.

1 c. A pressure seal shall be used exclusively by ¹[an HVAC] a
2 Master HVACR¹ contractor or in the conduct of the ¹[HVAC]
3 Master HVACR¹ contractor's practice. ¹[An HVAC] A Master
4 HVACR¹ contractor shall not willfully or negligently allow any
5 person to use his pressure seal.

6
7 ¹[20.] ²[25.] ¹ 26.² (New section) Notwithstanding any other
8 provision of this act to the contrary, the board shall, upon
9 application to it and submission of satisfactory proof and the
10 payment of the prescribed fee within six months following the
11 effective date of this act, issue ¹[an [HVAC] a Master HVACR¹
12 license without examination to: a. any licensed master plumber who
13 has been engaged in the heating, ventilating ¹[or] ¹ air
14 conditioning ¹or refrigeration¹ business for at least two years prior
15 to the date of his application for ¹[an HVAC] a Master HVACR¹
16 license; or b. any person who has been engaged as a heating,
17 ventilating ¹[and] ¹ air conditioning ¹and refrigeration¹ contractor
18 for at least two years prior to his date of application for ¹[an
19 HVAC] a Master HVACR¹ license.

20 A person entitled to ¹[an HVAC] a Master HVACR¹ license
21 under the provisions of this section shall comply with the remaining
22 provisions of this act.

23
24 ¹[21.] ²[26.] ¹ 27.² (New section) a. Nothing in this act shall
25 be construed to prevent licensed master plumbers from engaging in
26 the installation, maintenance and repair of: power boiler systems,
27 hot water and steam heating systems, fire tube and water tube
28 boilers, pressure steam and hot water boilers, space heaters, unit
29 heaters, and appurtenances utilizing electricity, fossil fuel or solar
30 energy; steam, hot water and chilled water pipe, condensate piping,
31 valves, fittings, ²[fuel oil storage tanks not regulated under
32 P.L.1986, c.102 (C.58:10A-21 et seq.),]² burners and piping,
33 expansion tanks, pumps, gauges on the load side of a meter;
34 ²[and]² thermostatic controls; or natural or manufactured gas
35 piping; ²[and] ²or² the installation, maintenance or connection of:
36 pneumatic controls and control piping for the control of air, liquid
37 or gas temperatures, radiators, convectors, cabinet unit heaters, fan
38 coil units, air handlers utilizing hydronic coils, mechanical
39 ventilation for radon mitigation, humidifiers, flues and patented
40 chimneys; or of pneumatic controls and control piping of automatic
41 oil, gas or coal burning equipment, gasoline or diesel oil dispensing
42 equipment and in replacement cases only, the connection thereof of
43 the wiring from a dedicated electrical service disconnect box of
44 adequate size to accommodate the equipment and controls, and the
45 testing and balancing of hydronic systems ²; or the installation,
46 repair, testing or closure of waste oil underground storage tanks².

1 b. Nothing in this act shall be construed to prevent licensed
 2 electrical contractors from engaging in the installation of: electrical
 3 resistance heating equipment and ventilation equipment with the
 4 exhaust duct not exceeding 60 square inches in area, or in
 5 commercial applications the connection sleeve between a roof-top
 6 mounted exhaust fan and its central connecting register, provided
 7 that this connection sleeve is not more than 15 ~~'[feet] inches'~~¹ in
 8 length ~~'or the length necessary to penetrate a roof or other similar~~
 9 ~~openings'~~¹; and the maintenance and repair of the electrical sections
 10 of any equipment used for heating, ventilating ~~'[or] ,'~~¹ air
 11 conditioning ~~'or refrigeration'~~¹.

12
 13 ~~'[22.]~~² ~~[27.]~~¹ ~~28.~~² (New section) Notwithstanding any other
 14 provision of this act to the contrary, a licensed master plumber or a
 15 person with ~~'[an HVAC]~~¹ ~~a Master HVACR'~~¹ license shall not
 16 perform any electrical work which has a potential of greater than 30
 17 volts, involving the wiring of equipment used for heating,
 18 ventilating ~~'[or] ,'~~¹ air conditioning ~~'or refrigeration'~~¹, except in the
 19 case of replacement installations as described in sections 2 and
 20 ~~'[21]~~² ~~[26]~~¹ ~~27~~² of this act or as provided for in section 18 of
 21 P.L.1962, c.162 (C.45:5A-18).

22
 23 ~~'[23.]~~² ~~[28.]~~¹ ~~29.~~² Section 1 of P.L.1971, c.60 (C.45:1-2.1) is
 24 amended to read as follows:

25 1. The provisions of this act shall apply to the following boards
 26 and commissions: the New Jersey State Board of Accountancy, the
 27 New Jersey State Board of Architects, the New Jersey State Board
 28 of Cosmetology and Hairstyling, the Board of Examiners of
 29 Electrical Contractors, the New Jersey State Board of Dentistry, the
 30 State Board of Mortuary Science of New Jersey, the State Board of
 31 Professional Engineers and Land Surveyors, the State Board of
 32 Marriage and Family Therapy Examiners, the State Board of
 33 Medical Examiners, the New Jersey Board of Nursing, the New
 34 Jersey State Board of Optometrists, the State Board of Examiners of
 35 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
 36 Pharmacy, the State Board of Professional Planners, the State Board
 37 of Psychological Examiners, the State Board of Examiners of
 38 Master Plumbers, the New Jersey Real Estate Commission, the
 39 State Board of Court Reporting, the State Board of Veterinary
 40 Medical Examiners, the Radiologic Technology Board of
 41 Examiners, the Acupuncture Examining Board, the State Board of
 42 Chiropractic Examiners, the State Board of Respiratory Care, the
 43 State Real Estate Appraiser Board, the State Board of Social Work
 44 Examiners, ~~[and]~~¹ ~~the State Board of Examiners of Heating,~~
 45 ~~'[Ventilation and] Ventilating, Air Conditioning and~~
 46 ~~Refrigeration'~~¹ ~~Contractors,~~¹ the State Board of Physical Therapy

1 Examiners, the Orthotics and Prosthetics Board of Examiners, the
2 New Jersey Cemetery Board, the State Board of Polysomnography
3 and any other entity hereafter created under Title 45 to license or
4 otherwise regulate a profession or occupation.

5 (cf: P.L.2005, c.308, s.8)

6

7 ¹[24.] ²[29.¹] 30.² Section 1 of P.L.1974, c.46 (C.45:1-3.1) is
8 amended to read as follows:

9 1. The provisions of this act shall apply to the following boards
10 and commissions: the New Jersey State Board of Accountancy, the
11 New Jersey State Board of Architects, the New Jersey State Board
12 of Cosmetology and Hairstyling, the Board of Examiners of
13 Electrical Contractors, the New Jersey State Board of Dentistry, the
14 State Board of Mortuary Science of New Jersey, the State Board of
15 Professional Engineers and Land Surveyors, the State Board of
16 Marriage and Family Therapy Examiners, the State Board of
17 Medical Examiners, the New Jersey Board of Nursing, the New
18 Jersey State Board of Optometrists, the State Board of Examiners of
19 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
20 Pharmacy, the State Board of Professional Planners, the State Board
21 of Psychological Examiners, the State Board of Examiners of
22 Master Plumbers, the State Board of Court Reporting, the State
23 Board of Veterinary Medical Examiners, the Radiologic
24 Technology Board of Examiners, the Acupuncture Examining
25 Board, the State Board of Chiropractic Examiners, the State Board
26 of Respiratory Care, the State Real Estate Appraiser Board, the New
27 Jersey Cemetery Board, the State Board of Social Work Examiners
28 **[and]** , the State Board of Examiners of Heating, ¹[Ventilation
29 and] Ventilating,¹ Air Conditioning ¹and Refrigeration¹
30 Contractors, the State Board of Physical Therapy Examiners, the
31 State Board of Polysomnography, the Orthotics and Prosthetics
32 Board of Examiners and any other entity hereafter created under
33 Title 45 to license or otherwise regulate a profession or occupation.
34 (cf: P.L.2005, c.308, s.10)

35

36 ¹[25.] ²[30.¹] 31.² Section 2 of P.L.1978, c.73 (C.45:1-15) is
37 amended to read as follows:

38 2. The provisions of this act shall apply to the following boards
39 and all professions or occupations regulated by, through or with the
40 advice of those boards: the New Jersey State Board of
41 Accountancy, the New Jersey State Board of Architects, the New
42 Jersey State Board of Cosmetology and Hairstyling, the Board of
43 Examiners of Electrical Contractors, the New Jersey State Board of
44 Dentistry, the State Board of Mortuary Science of New Jersey, the
45 State Board of Professional Engineers and Land Surveyors, the
46 State Board of Marriage and Family Therapy Examiners, the State
47 Board of Medical Examiners, the New Jersey Board of Nursing, the

1 New Jersey State Board of Optometrists, the State Board of
 2 Examiners of Ophthalmic Dispensers and Ophthalmic Technicians,
 3 the Board of Pharmacy, the State Board of Professional Planners,
 4 the State Board of Psychological Examiners, the State Board of
 5 Examiners of Master Plumbers, the State Board of Court Reporting,
 6 the State Board of Veterinary Medical Examiners, the State Board
 7 of Chiropractic Examiners, the State Board of Respiratory Care, the
 8 State Real Estate Appraiser Board, the State Board of Social Work
 9 Examiners, the State Board of Examiners of Heating, ¹[Ventilation
 10 and] Ventilating,¹ Air Conditioning ¹and Refrigeration¹
 11 Contractors, the State Board of Physical Therapy Examiners, the
 12 State Board of Polysomnography, the Professional Counselor
 13 Examiners Committee, the New Jersey Cemetery Board, the
 14 Orthotics and Prosthetics Board of Examiners, the Occupational
 15 Therapy Advisory Council, the Electrologists Advisory Committee,
 16 the Acupuncture Advisory Committee, the Alcohol and Drug
 17 Counselor Committee, the Athletic Training Advisory Committee,
 18 the Certified Psychoanalysts Advisory Committee, the Fire Alarm,
 19 Burglar Alarm, and Locksmith Advisory Committee, the Home
 20 Inspection Advisory Committee, the Interior Design Examination
 21 and Evaluation Committee, the Hearing Aid Dispensers Examining
 22 Committee, the Landscape Architect Examination and Evaluation
 23 Committee, the Massage, Bodywork and Somatic Therapy
 24 Examining Committee, the Perfusionists Advisory Committee, the
 25 Physician Assistant Advisory Committee, and the Audiology and
 26 Speech-Language Pathology Advisory Committee and any other
 27 entity hereafter created under Title 45 to license or otherwise
 28 regulate a profession or occupation.

29 (cf: P.L.2005, c.308, s.11)

30

31 ¹[26.] ²[31.¹] ^{32.}² This act shall take effect immediately,
 32 except that section 7 shall take effect 360 days following the
 33 appointment and qualification of the board members, and provided
 34 that the director and board may take such anticipatory action as may
 35 be necessary to effectuate that provision of the act.

36

37

38

39

40 Establishes the State Board of Examiners of Heating,
 41 Ventilating, Air Conditioning and Refrigeration Contractors.

ASSEMBLY, No. 1016

STATE OF NEW JERSEY 212th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

Sponsored by:

Assemblyman VINCENT PRIETO

District 32 (Bergen and Hudson)

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblyman BRIAN P. STACK

District 33 (Hudson)

SYNOPSIS

Establishes the State Board of Examiners of Heating, Ventilation and Air Conditioning Contractors.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT providing for the licensing of heating, ventilating and air
2 conditioning contractors, amending P.L.1971, c.60, P.L.1974,
3 c.46 and P.L.1978, c.73 and supplementing Title 45 of the
4 Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. (New section) Sections 1 through 22 of this act shall be
10 known and may be cited as "The State Heating, Ventilating and Air
11 Conditioning Contracting License Law."

12

13 2. (New section) As used in this act:

14 "Apprentice HVAC tradesperson" means any person who, as his
15 principal occupation, is engaged in learning and assisting in the
16 installation and servicing of HVAC systems.

17 "Board" means the State Board of Examiners of Heating,
18 Ventilation and Air Conditioning Contractors created by section 3
19 of this act.

20 "Bona fide representative" means: in the case of a sole
21 proprietorship, the owner; in the case of a partnership, a partner; in
22 the case of a limited liability company, a manager; or in the case of
23 a corporation, an executive officer.

24 "Director" means the Director of the Division of Consumer
25 Affairs in the Department of Law and Public Safety.

26 "Heating, ventilating and air conditioning" or "HVAC" means
27 the process of treating and protecting the environment by the
28 responsible handling, dispensing, collecting and cleaning of
29 chlorofluorocarbons and other refrigerants in stationary sources,
30 and controlling the temperature, humidity and cleanliness of air by
31 using the "wet," "dry," "radiant," "conduction," "convection,"
32 "direct," or "indirect" method or combination of methods, including
33 those which utilize solar energy, to meet the environmental
34 requirements of a designated area. "HVAC" also means the
35 installation, maintenance and repair of: power boiler systems,
36 hydronic heating systems, fire tube and water tube boilers, pressure
37 steam and hot water boilers, furnaces and space heaters, and
38 appurtenances utilizing electric, fossil fuel or solar energy other
39 than for the use of heating potable water; warm air heating or
40 refrigeration and evaporative cooling systems, ventilation and
41 exhaust systems, dust collectors, air handling equipment, heating or
42 cooling coils, air or refrigerant compressors, chillers, cooling
43 towers, evaporators, condensers, plenums, fans, blowers, air
44 cleaners, mechanical ventilation for radon mitigation, humidifiers,
45 filters, louvers, mixing boxes and appurtenances; hydronic heating

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 and chilled water pipe, condensate piping not regulated under
2 P.L.1968, c.362 (C.45:14C-1 et seq.), valves, fittings, fuel oil
3 storage tanks not regulated under P.L.1986, c.102 (C.58:10A-21 et
4 seq.), burners and piping, hydronic heating, expansion tanks,
5 pumps, gauges, humidity and thermostatic controls; natural or
6 manufactured gas piping on the load side of a meter; supply water
7 piping to equipment being served from an existing dedicated source
8 connected downstream from an approved backflow preventer,
9 except in replacement cases, the installation of the required
10 approved backflow device downstream from a pre-existing valve;
11 and the maintaining, installing or connecting of: pneumatic controls
12 and control piping, for the control of air, liquid, or gas
13 temperatures, radiators, convectors, unit cabinet heaters, fan coil
14 units, flues, or patented chimneys; and pneumatic controls and
15 control piping, of automatic oil, gas or coal burning equipment,
16 mechanical refrigeration equipment, gasoline or diesel oil
17 dispensing equipment and in replacement cases only, the connection
18 thereof of the wiring from an electrical service disconnect box of
19 adequate size to accommodate the equipment and controls and
20 previously dedicated to that equipment, and the testing and
21 balancing of air and hydronic systems, but does not include the
22 design or preparation of specifications for equipment or systems to
23 be installed that are within the practice of professional engineering
24 as defined in subsection (b) of section 2 of P.L.1938, c.342 (C.45:8-
25 28).

26 "Heating, ventilating and air conditioning contracting" means
27 undertaking or advertising to undertake, for a fixed price, fee,
28 commission, or gain of whatever nature, the planning, laying out,
29 installation, construction, maintenance, service, repair, alteration or
30 modification to any portion of any system, product or equipment or
31 appurtenances used for the environmental needs or control of any
32 heating, ventilating and air conditioning system.

33 "Heating, ventilating and air conditioning contractor" means any
34 person, firm, partnership, corporation or other legal entity licensed
35 according to the provisions of this act which obtains a pressure seal
36 pursuant to sections 18 and 19 of this act and which advertises,
37 undertakes or offers to undertake for another the planning, laying
38 out, supervising, installing, or repairing of HVAC systems,
39 apparatus or equipment. In order to act as an "HVAC contractor,"
40 an individual shall be a bona fide representative of the legal entity
41 licensed pursuant to the provisions of this act.

42 "Journeyman HVAC tradesperson" means any person who
43 installs, alters, repairs and renovates HVAC systems in accordance
44 with standards, rules and regulations established by the board and
45 who works under the supervision of an HVAC contractor.

46 "Retrofit" means a change in design, construction or equipment
47 already in operation in order to incorporate later improvements.

48 "Replacement" means a change of equipment with the same type

1 or similar equipment.

2
3 3. (New section) There is created within the Division of
4 Consumer Affairs in the Department of Law and Public Safety the
5 State Board of Examiners of Heating, Ventilation and Air
6 Conditioning Contractors. The board shall consist of nine members
7 who are residents of the State of New Jersey and who, except for
8 the member from the department in the Executive Branch of State
9 Government, shall be appointed by the Governor. In addition to the
10 two public members appointed to represent the interests of the
11 public pursuant to the provisions of subsection b. of section 2 of
12 P.L.1971, c.60 (C.45:1-2.2), one member shall be from a
13 department in the Executive Branch of State Government who shall
14 serve without compensation at the pleasure of the Governor; three
15 members shall be practicing HVAC contractors with at least 10
16 years experience; two members shall be mechanical inspectors with
17 at least 10 years experience; and one member shall be a journeyman
18 HVAC tradesperson of at least 10 years experience.

19 The Governor shall appoint each member, other than the State
20 executive department member, for terms of four years, except that
21 of the members first appointed, other than the State executive
22 department member, two shall serve for a term of four years, two
23 shall serve for a term of three years, two shall serve for a term of
24 two years, and two shall serve for terms of one year. Any vacancy
25 in the membership shall be filled for the unexpired term in the
26 manner provided for the original appointment. No member of the
27 board may serve more than two successive terms in addition to any
28 unexpired term to which he has been appointed. The Governor may
29 remove any member of the board, other than the State executive
30 department member, for cause.

31
32 4. (New section) The board shall, in addition to other powers
33 and duties it may possess by law:

- 34 a. Administer the provisions of this act;
- 35 b. Examine and pass on the qualifications of all applicants for
36 license under this act, and issue a license to each qualified
37 successful applicant;
- 38 c. Examine, evaluate and supervise all examinations and
39 procedures;
- 40 d. Adopt a seal which shall be affixed to all licenses issued by it;
- 41 e. Adopt rules and regulations pursuant to the "Administrative
42 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) as it may
43 deem necessary to enable it to perform its duties under and to
44 enforce the provisions of this act;
- 45 f. Annually publish a list of the names and addresses of all
46 persons who are licensed under this act;
- 47 g. Establish standards for continuing education; and
- 48 h. Prescribe or change the charges for examinations, licensures,

1 renewals and other services performed pursuant to P.L.1974, c.46
2 (C.45:1-3.1 et seq.).

3

4 5. (New section) Any person desiring to obtain a State HVAC
5 contractor's license shall make application for licensure to the board
6 and shall pay all the fees required in connection with the
7 application, and be examined as required by this act.

8

9 6. (New section) On or after the effective date of this act, a
10 municipality, local board of health or any other agency shall not
11 issue or renew any HVAC contractor's license.

12

13 7. (New section) a. A person shall not work as an HVAC
14 contractor or use the title or designation of "licensed HVAC
15 contractor" or "HVAC contractor" unless licensed pursuant to the
16 provisions of this act.

17 b. A person, firm, partnership, corporation or other legal entity
18 shall not engage in the business of HVAC contracting or advertise
19 in any manner as an HVAC contractor or use the title or designation
20 of "licensed HVAC contractor" or "HVAC contractor" unless
21 authorized to act as an HVAC contractor pursuant to the provisions
22 of this act.

23

24 8. (New section) Nothing in this act shall be construed to
25 prevent the practice of engineering by a holder of a license to
26 practice that profession in this State, but no engineer shall use the
27 designation "licensed HVAC contractor" unless licensed as an
28 HVAC contractor under the provisions of this act.

29

30 9. (New section) The provisions of this act shall not apply to a
31 single family home owner who personally occupies his own
32 dwelling and who solely performs HVAC work on his own
33 dwelling, upon receipt of all required permits, except that any
34 HVAC work involving chlorofluorocarbons (CFC's) or
35 hydrochlorofluorocarbons (HCFC's) shall be performed only by a
36 licensed HVAC contractor.

37

38 10. (New section) The provisions of this act shall not apply to
39 any public utility company regulated by the Board of Public
40 Utilities pursuant to Title 48 of the Revised Statutes that performs
41 emergency repair services to prevent an imminent threat to the
42 health and safety of life or property, which repair services include,
43 but are not limited to, turning off, disconnecting, shutting down or
44 disabling any equipment or condition or the provision of any
45 products.

46

47 11. (New section) The provisions of this act shall not deny to
48 any municipality the power to inspect HVAC work or equipment or

1 the power to enforce the standards and manner in which HVAC
2 work shall be done, but no municipality, local board of health or
3 other agency shall require any HVAC contractor licensed under this
4 act, or authorized to engage in the business of HVAC contracting
5 under this act, to obtain any additional license, apply for or take any
6 examination, or pay any licensing fee.

7
8 12. (New section) Not less than 30 days and not more than 60
9 days prior to the date set for the examination for an HVAC
10 contractor's license, every person, except as provided in this act,
11 desiring to apply for a license, who meets the qualifications as set
12 forth in this act, shall deliver to the board, personally or by certified
13 mail, return receipt requested, postage prepaid, a certified check or
14 money order payable to the Treasurer of the State of New Jersey in
15 the required amount, together with the written application required
16 by the board, completed as described in the application, and
17 together with proof of qualifications as described in this act.

18 The qualifications for an HVAC contractor's license shall be as
19 follows: The person shall be 21 or more years of age and a citizen
20 or legal resident of the United States, and shall have been employed
21 in the HVAC contracting business for a period of five years next
22 preceding the date of his application for a license. Three or more of
23 the five years shall have been spent while engaged or employed as a
24 journeyman HVAC tradesperson. At least two years of the five
25 years shall have been spent in an HVAC apprenticeship or other
26 training program approved by the Department of Education, with
27 proof of passage and successful completion of this program while
28 actively engaged or employed as an apprentice as determined by the
29 board. In lieu of the above requirements a person shall have been
30 awarded a bachelor's degree in HVAC technology from an
31 accredited college or university in the United States which the
32 board finds acceptable and, in addition, shall have been engaged or
33 employed in the practical work of installing HVAC systems for
34 three years.

35 Proof of compliance with the qualifications or those in lieu
36 thereof shall be submitted to the board in writing, sworn to by the
37 applicant, and accompanied by two recent passport-size
38 photographs of the applicant.

39
40 13. (New section) a. Every HVAC contractor's license
41 examination shall be substantially uniform and shall be designed so
42 as to establish the competence and qualifications of the applicant to
43 perform the type of work and business as described in this act. The
44 examination may be theoretical or practical in nature, or both.

45 b. The examination shall be held at least four times a year, at
46 Trenton or other place the board deems necessary. Public notice of
47 the time and place of the examination shall be given.

48 c. No person who has failed the examination shall be eligible to

1 be reexamined for a period of six months from the date of the
2 examination failed by that person.

3 d. All applicants for HVAC licenses, renewals or
4 reexaminations shall pay a fee for each license issuance or renewal,
5 or reexamination as determined by the board.

6
7 14. (New section) Licenses shall be renewed biennially by the
8 board upon written application of the holder and payment of the
9 prescribed fee and renewal of the bond required by section 17 of
10 this act. A license may be renewed without reexamination, if the
11 application for renewal is made within 30 days next preceding or
12 following the scheduled expiration date. Any applicant for renewal
13 making application at any time subsequent to the 30th day next
14 following the scheduled expiration date may be required by the
15 board to be re-examined, and that person shall not continue to act as
16 a licensed HVAC contractor, as described in this act, and no firm,
17 corporation or other legal entity for which the person is the bona
18 fide representative shall operate under a license in the HVAC
19 business, as described in this act, until a valid license has been
20 secured or is held by a bona fide representative.

21 Any license expiring while the holder is outside the continental
22 limits of the United States in connection with any project
23 undertaken by the government of the United States, or while in the
24 services of the Armed Forces of the United States, shall be renewed
25 without the holder being required to be reexamined, upon payment
26 of the prescribed fee at any time within four months after the
27 person's return to the United States or discharge from the armed
28 forces, whichever is later.

29
30 15. (New section) The board may in its discretion grant licenses
31 without examination to applicants so licensed by other states;
32 provided that equal reciprocity is provided for New Jersey HVAC
33 contractors by the law of the applicant's domiciliary state and
34 provided further that the domiciliary state's standards are equal to or
35 comparable to those of this State.

36
37 16. (New section) No firm, corporation or other legal entity
38 operating under and by virtue of this act shall be denied the
39 privilege of conducting and continuing the business of HVAC
40 contracting, by reason of death, termination of employment, illness
41 or a substantial disability of the bona fide representative of the firm,
42 corporation or other entity, provided that: the firm, corporation or
43 other entity has complied with the other provisions of this act; the
44 firm, corporation or other entity maintains a place of business
45 within this State; and another bona fide representative of the entity
46 obtains a State license within six months from the date of the death,
47 termination of employment, illness or disability. The board may
48 promulgate additional regulations governing the management and

1 operation of an entity during that period of time when the entity
2 shall be in operation without having a bona fide representative.

3
4 17. (New section) In addition to any other bonds that may be
5 required pursuant to contract, no HVAC contractor licensed under
6 this act shall undertake to do any HVAC work in the State unless
7 and until he shall have first entered into a bond in favor of the State
8 of New Jersey in the sum of \$3,000 executed by a surety company
9 authorized to transact business in this State, approved by the
10 Department of Banking and Insurance and to be conditioned on the
11 faithful performance of the provisions of this act. No municipality
12 shall require any similar bond from any HVAC contractor licensed
13 under this act. The board shall by rule and regulation provide who
14 shall be eligible to receive the financial protection afforded by the
15 bond required to be filed by this section. The bond shall be for the
16 term of 12 months and shall be renewed at each expiration for a
17 similar period.

18
19 18. (New section) To be eligible to obtain and retain a pressure
20 seal, and renew an HVAC license, an HVAC contractor shall:

21 a. Secure, maintain and file with the board a certificate of
22 general liability insurance from an insurance company authorized
23 and licensed to do business in this State covering the HVAC
24 contracting done by that HVAC contractor. The minimum amount
25 of general liability insurance shall be \$300,000 for the combined
26 property damage and bodily injury to or death of one or more
27 persons in any one accident or occurrence;

28 b. File with the board its Federal Tax Identification number; and

29 c. Comply with any continuing education requirements
30 regarding license renewal for an HVAC contractor established by
31 the board through regulation.

32 Every certificate of insurance required to be filed with the board
33 pursuant to this section shall provide that cancellation of the
34 insurance shall not be effective unless and until at least 10 days'
35 notice of intention to cancel has been received in writing by the
36 board.

37
38 19. (New section) a. The board shall provide a pressure seal to
39 an HVAC contractor at the time of the issuance of a license or as
40 soon thereafter as deemed appropriate by the board. No pressure
41 seal shall be provided by the board or retained by an HVAC
42 contractor unless the HVAC contractor complies with the
43 provisions of sections 17 and 18 of this act. The HVAC contractor
44 shall pay the cost of the pressure seal, but the seal shall remain the
45 property of the board. The pressure seal shall be surrendered to the
46 board immediately upon suspension, revocation or expiration of the
47 license or upon a finding of noncompliance with the provisions of
48 section 18 of this act.

1 b. An HVAC contractor shall impress his pressure seal upon all
2 applications for HVAC permits from the appropriate duly licensed
3 State inspection agency.

4 c. A pressure seal shall be used exclusively by an HVAC
5 contractor or in the conduct of the HVAC contractor's practice. An
6 HVAC contractor shall not willfully or negligently allow any
7 person to use his pressure seal.

8
9 20. (New section) Notwithstanding any other provision of this
10 act to the contrary, the board shall, upon application to it and
11 submission of satisfactory proof and the payment of the prescribed
12 fee within six months following the effective date of this act, issue
13 an HVAC license without examination to: a. any licensed master
14 plumber who has been engaged in the heating, ventilating or air
15 conditioning business for at least two years prior to the date of his
16 application for an HVAC license; or b. any person who has been
17 engaged as a heating, ventilating and air conditioning contractor for
18 at least two years prior to his date of application for an HVAC
19 license.

20 A person entitled to an HVAC license under the provisions of
21 this section shall comply with the remaining provisions of this act.

22
23 21. (New section) a. Nothing in this act shall be construed to
24 prevent licensed master plumbers from engaging in the installation,
25 maintenance and repair of: power boiler systems, hot water and
26 steam heating systems, fire tube and water tube boilers, pressure
27 steam and hot water boilers, space heaters, unit heaters, and
28 appurtenances utilizing electricity, fossil fuel or solar energy;
29 steam, hot water and chilled water pipe, condensate piping, valves,
30 fittings, fuel oil storage tanks not regulated under P.L.1986, c.102
31 (C.58:10A-21 et seq.), burners and piping, expansion tanks, pumps,
32 gauges on the load side of a meter; and thermostatic controls; or
33 natural or manufactured gas piping; and the installation,
34 maintenance or connection of: pneumatic controls and control
35 piping for the control of air, liquid or gas temperatures, radiators,
36 convectors, cabinet unit heaters, fan coil units, air handlers utilizing
37 hydronic coils, mechanical ventilation for radon mitigation,
38 humidifiers, flues and patented chimneys; or of pneumatic controls
39 and control piping of automatic oil, gas or coal burning equipment,
40 gasoline or diesel oil dispensing equipment and in replacement
41 cases only, the connection thereof of the wiring from a dedicated
42 electrical service disconnect box of adequate size to accommodate
43 the equipment and controls, and the testing and balancing of
44 hydronic systems.

45 b. Nothing in this act shall be construed to prevent licensed
46 electrical contractors from engaging in the installation of: electrical
47 resistance heating equipment and ventilation equipment with the
48 exhaust duct not exceeding 60 square inches in area, or in

1 commercial applications the connection sleeve between a roof-top
2 mounted exhaust fan and its central connecting register, provided
3 that this connection sleeve is not more than 15 feet in length; and
4 the maintenance and repair of the electrical sections of any
5 equipment used for heating, ventilating or air conditioning.
6

7 22. (New section) Notwithstanding any other provision of this
8 act to the contrary, a licensed master plumber or a person with an
9 HVAC license shall not perform any electrical work which has a
10 potential of greater than 30 volts, involving the wiring of equipment
11 used for heating, ventilating or air conditioning, except in the case
12 of replacement installations as described in sections 2 and 21 of this
13 act or as provided for in section 18 of P.L.1962, c.162 (C.45:5A-
14 18).
15

16 23. Section 1 of P.L.1971, c.60 (C.45:1-2.1) is amended to read
17 as follows:

18 1. The provisions of this act shall apply to the following boards
19 and commissions: the New Jersey State Board of Accountancy, the
20 New Jersey State Board of Architects, the New Jersey State Board
21 of Cosmetology and Hairstyling, the Board of Examiners of
22 Electrical Contractors, the New Jersey State Board of Dentistry, the
23 State Board of Mortuary Science of New Jersey, the State Board of
24 Professional Engineers and Land Surveyors, the State Board of
25 Marriage and Family Therapy Examiners, the State Board of
26 Medical Examiners, the New Jersey Board of Nursing, the New
27 Jersey State Board of Optometrists, the State Board of Examiners of
28 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
29 Pharmacy, the State Board of Professional Planners, the State Board
30 of Psychological Examiners, the State Board of Examiners of
31 Master Plumbers, the New Jersey Real Estate Commission, the
32 State Board of Shorthand Reporting, the State Board of Veterinary
33 Medical Examiners, the Radiologic Technology Board of
34 Examiners, the Acupuncture Examining Board, the State Board of
35 Chiropractic Examiners, the State Board of Respiratory Care, the
36 State Real Estate Appraiser Board, the State Board of Social Work
37 Examiners, the State Board of Examiners of Heating, Ventilation
38 and Air Conditioning, the State Board of Public Movers and
39 Warehousemen and the State Board of Physical Therapy Examiners.
40 (cf: P.L.2003, c.18, s.18)
41

42 24. Section 1 of P.L.1974, c.46 (C.45:1-3.1) is amended to read
43 as follows:

44 1. The provisions of this act shall apply to the following boards
45 and commissions: the New Jersey State Board of Accountancy, the
46 New Jersey State Board of Architects, the New Jersey State Board
47 of Cosmetology and Hairstyling, the Board of Examiners of
48 Electrical Contractors, the New Jersey State Board of Dentistry, the

1 State Board of Mortuary Science of New Jersey, the State Board of
2 Professional Engineers and Land Surveyors, the State Board of
3 Marriage and Family Therapy Examiners, the State Board of
4 Medical Examiners, the New Jersey Board of Nursing, the New
5 Jersey State Board of Optometrists, the State Board of Examiners of
6 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
7 Pharmacy, the State Board of Professional Planners, the State Board
8 of Psychological Examiners, the State Board of Examiners of
9 Master Plumbers, the State Board of Shorthand Reporting, the State
10 Board of Veterinary Medical Examiners, the Radiologic
11 Technology Board of Examiners, the Acupuncture Examining
12 Board, the State Board of Chiropractic Examiners, the State Board
13 of Respiratory Care, the State Real Estate Appraiser Board, the New
14 Jersey Cemetery Board, the State Board of Social Work Examiners,
15 the State Board of Examiners of Heating, Ventilation and Air
16 Conditioning Contractors and the State Board of Physical Therapy
17 Examiners.

18 (cf: P.L.2003, c.261, s.39)

19

20 25. Section 2 of P.L.1978, c.73 (C.45:1-15) is amended to read
21 as follows:

22 2. The provisions of this act shall apply to the following boards
23 and all professions or occupations regulated by, through or with the
24 advice of those boards: the New Jersey State Board of
25 Accountancy, the New Jersey State Board of Architects, the New
26 Jersey State Board of Cosmetology and Hairstyling, the Board of
27 Examiners of Electrical Contractors, the New Jersey State Board of
28 Dentistry, the State Board of Mortuary Science of New Jersey, the
29 State Board of Professional Engineers and Land Surveyors, the
30 State Board of Marriage and Family Therapy Examiners, the State
31 Board of Medical Examiners, the New Jersey Board of Nursing, the
32 New Jersey State Board of Optometrists, the State Board of
33 Examiners of Ophthalmic Dispensers and Ophthalmic Technicians,
34 the Board of Pharmacy, the State Board of Professional Planners,
35 the State Board of Psychological Examiners, the State Board of
36 Examiners of Master Plumbers, the State Board of Shorthand
37 Reporting, the State Board of Veterinary Medical Examiners, the
38 Acupuncture Examining Board, the State Board of Chiropractic
39 Examiners, the State Board of Respiratory Care, the State Real
40 Estate Appraiser Board, the State Board of Social Work Examiners,
41 the State Board of Examiners of Heating, Ventilation and Air
42 Conditioning Contractors, the State Board of Physical Therapy
43 Examiners, the Professional Counselor Examiners Committee, the
44 New Jersey Cemetery Board, the Orthotics and Prosthetics Board of
45 Examiners, the Occupational Therapy Advisory Council, the
46 Electrologists Advisory Committee, the Alcohol and Drug
47 Counselor Committee, the Fire Alarm, Burglar Alarm, and
48 Locksmith Advisory Committee, the Home Inspection Advisory

1 Committee, the Massage, Bodywork and Somatic Therapy
2 Examining Committee, and the Audiology and Speech-Language
3 Pathology Advisory Committee.
4 (cf: P.L.2003, c.18, s.20)
5

6 26. This act shall take effect immediately, except that section 7
7 shall take effect 360 days following the appointment and
8 qualification of the board members, and provided that the director
9 and board may take such anticipatory action as may be necessary to
10 effectuate that provision of the act.
11

12

13 STATEMENT

14

15 This bill establishes licensing requirements for those persons
16 engaged in the business of heating, ventilating and air conditioning
17 contracting and the responsible collection and disbursement of
18 chlorofluorocarbons and other refrigerants to protect the
19 environment. The bill establishes the State Board of Examiners of
20 Heating, Ventilation and Air Conditioning Contractors which shall
21 consist of nine members. Two members shall be public members;
22 three members shall be heating, ventilating and air conditioning
23 contractors with at least 10 years experience; two members shall be
24 mechanical inspectors with at least 10 years experience, one
25 member shall be a journeyman HVAC tradesperson with at least 10
26 years experience; and one member shall be a State executive
27 department member.

28 The bill also requires heating, ventilating and air conditioning
29 (HVAC) firms to carry general liability insurance and to file their
30 Federal Tax Identification number with the State Board of
31 Examiners of Heating, Ventilation and Air Conditioning
32 Contractors. Additionally, it regulates the possession and use of a
33 pressure seal by an HVAC contractor.

34 The bill establishes standards of eligibility for licensure of
35 HVAC contractors. It requires that, to be eligible, a person must
36 have been engaged or employed in the HVAC industry for a period
37 of five years next preceding the date of his application for a State
38 license. The bill provides that three or more of the five years shall
39 have been spent while engaged or employed as a journeyman
40 HVAC tradesperson. At least two of the five years shall have been
41 spent in an HVAC apprenticeship or other training program
42 approved by the board. In lieu of these requirements, the board
43 may accept as satisfactory a background including a bachelor's
44 degree in HVAC technology from an accredited college or
45 university which the board finds acceptable and, in addition, shall
46 have been engaged or employed in practical work experience of
47 installing HVAC systems for three years.

48 Furthermore, the bill provides for a biennial license renewal of

1 HVAC contractors.

2 Also, the bill enumerates specific practices in which a licensed
3 master plumber may be engaged, provided that he does not hold
4 himself out to the public as a licensed HVAC contractor. In
5 addition, the bill denotes specific work that is permissible for
6 licensed electricians to perform. It further provides that nothing in
7 this bill should be construed to prevent the practice of engineering
8 by any person who holds an engineering license and also states that
9 no engineer shall use the designation of licensed HVAC contractor
10 unless so licensed in accordance with the provisions of this bill.
11 The bill further stipulates that its provisions shall not apply to any
12 public utility company regulated by the Board of Public Utilities
13 pursuant to Title 48 of the Revised Statutes that performs
14 emergency repair services to prevent an imminent threat to the
15 health and safety of life or property, which repair services include,
16 but are not limited to, turning off, disconnecting, shutting down or
17 disabling any equipment or condition or the provision of any
18 products.

19 In addition, the bill provides that any licensed master plumber or
20 any other person who applies for an HVAC contractor's license
21 within six months following the bill's effective date, and who has
22 been engaged in the heating, ventilating or air conditioning business
23 for at least two years prior to the date of application, shall receive
24 the HVAC contractor's license, without examination, upon
25 application to the board, and submission of satisfactory proof and
26 the payment of a prescribed fee.

ASSEMBLY REGULATED PROFESSIONS AND
INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1016

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 7, 2006

The Assembly Regulated Professions and Independent Authorities Committee reports favorably and with committee amendments Assembly Bill No. 1016.

As amended, this bill establishes licensing requirements for those persons engaged in the business of heating, ventilating, air conditioning and refrigeration contracting and the responsible collection and disbursement of chlorofluorocarbons and other refrigerants to protect the environment. The bill establishes the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors, which shall consist of nine members. Two members shall be public members; three members shall be heating, ventilating, air conditioning and refrigeration contractors with at least 10 years experience; two members shall be mechanical inspectors with at least 10 years experience, one member shall be a HVACR journeyman with at least 10 years experience; and one member shall be a State executive department member.

The bill also requires heating, ventilating, air conditioning and refrigeration (HVACR) firms to carry general liability insurance and to file their Federal Tax Identification number with the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors. Additionally, it regulates the possession and use of a pressure seal by a Master HVACR contractor.

The bill establishes standards of eligibility for licensure of Master HVACR contractors. It requires that, to be eligible, a person must have been engaged or employed in the HVACR industry for a period of five years next preceding the date of his application for a State license. The bill provides that three or more of the five years shall have been spent while engaged or employed as a HVACR journeyman or licensed plumber. At least two of the five years shall have been spent in an HVACR apprenticeship or other training program approved by the United States Department of Labor, with proof of passage and successful completion of this program while actively engaged or employed as an apprentice as determined by the

board. In lieu of these requirements, the board may accept as satisfactory a background including a bachelor's degree: a. in HVACR technology from an accredited college or university which the board finds acceptable and, in addition, the person shall have been engaged or employed in practical work of installing HVACR systems for three years; or b. from an accredited college or university in the United States which the board finds acceptable and, in addition, the person shall have been engaged or employed in the direct supervision of the installation of HVACR systems for five years.

Furthermore, the bill provides for a biennial license renewal of Master HVACR contractors.

Also, the bill enumerates specific practices in which a licensed master plumber may be engaged. In addition, the bill denotes specific work that is permissible for licensed electricians to perform. It further provides that nothing in this bill should be construed to prevent any person licensed by the State, including, but not limited to, architects, professional engineers, electrical contractors, or master plumbers, from acting within the scope of practice of his profession or occupation, and also states that no person shall use the designation of licensed HVACR contractor unless so licensed in accordance with the provisions of this bill. The bill further stipulates that its provisions shall not apply to any public utility company regulated by the Board of Public Utilities pursuant to Title 48 of the Revised Statutes, or any related competitive business segment of that public utility that offers competitive services pursuant to the "Electric Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-49 et al.). The provisions of this bill shall also not apply to HVACR work performed on buildings, structures or premises owned or operated by a public utility holding company or its subsidiaries.

In addition, the bill provides that any licensed master plumber or any other person who applies for a Master HVACR contractor's license within six months following the bill's effective date, and who has been engaged in the heating, ventilating, air conditioning or refrigeration business for at least two years prior to the date of application, shall receive the Master HVACR contractor's license, without examination, upon application to the board, and submission of satisfactory proof and the payment of a prescribed fee.

This bill was pre-filed for introduction in the 2006-2007 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amended the bill to add refrigeration contractors to the list of contractors licensed under the bill. The title of the bill is now "The State Heating, Ventilating, Air Conditioning and Refrigeration Contracting License Law." The bill also added the designation of Master to an HVACR contractor title and changed the

name of a "Journeyman HVAC tradesperson" to a "HVACR journeyperson."

The committee also amended the bill to provide that the bill does not apply to any competitive business segment of a public utility company regulated by the Board of Public Utilities that offers competitive services pursuant to the "Electric Discount and Energy Competition Act," (C.48:3-49 et al.).

In addition, the committee amended the bill to provide that the board may accept as satisfactory to be eligible to sit for the HVACR licensing examination an individual with a background including a bachelor's degree from an accredited college or university in the United States which the board finds acceptable and, in addition, that individual shall have been engaged or employed in the direct supervision of the installation of HVACR systems for five years.

The committee amendments further provide for continuing education requirements for a Master HVACR contractor as a condition for biennial license renewal.

Additionally, the committee amendments provide that nothing in this bill should be construed to prevent any person licensed by the State, including, but not limited to, architects, professional engineers, electrical contractors, or master plumbers, from acting within the scope of practice of his profession or occupation.

Finally, the amendments also increase the minimum amount of general liability insurance that a Master HVACR contractor must carry from \$300,000 to \$500,000.

SENATE LABOR COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1016

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 21, 2007

The Senate Labor Committee reports favorably and with committee amendments Assembly Bill No. 1016 (1R).

As amended, this bill establishes licensing requirements for those persons engaged in the business of heating, ventilating, air conditioning and refrigeration contracting and the responsible collection and disbursement of chlorofluorocarbons and other refrigerants to protect the environment. The bill establishes the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors, which shall consist of nine members. Two members shall be public members; three members shall be heating, ventilating, air conditioning and refrigeration contractors with at least 10 years experience; two members shall be mechanical inspectors with at least 10 years experience, one member shall be a heating, ventilating, air conditioning and refrigeration journeyman with at least 10 years experience; and one member shall be a State executive department member.

The bill also requires heating, ventilating, air conditioning and refrigeration (HVACR) firms to carry general liability insurance and to file their Federal Tax Identification number with the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors. Additionally, it regulates the possession and use of a pressure seal by a Master HVACR contractor.

The bill establishes standards of eligibility for licensure of Master HVACR contractors. It requires that, to be eligible, a person must have been engaged or employed in the HVACR industry for a period of five years next preceding the date of his application for a State license. The bill provides that three or more of the five years shall have been spent while engaged or employed as an HVACR journeyman or licensed plumber. As amended, at least four of the five years shall have been spent in an HVACR apprenticeship or other training program approved by the United States Department of Labor, with proof of passage and successful completion of this program while actively engaged or employed as an apprentice as determined by the

board. In lieu of these requirements, the board may accept as satisfactory a background including a bachelor's degree: a. in HVACR technology from an accredited college or university which the board finds acceptable and, in addition, the person shall have been engaged or employed in practical work of installing HVACR systems for three years; or b. from an accredited college or university in the United States which the board finds acceptable and, in addition, the person shall have been engaged or employed in the direct supervision of the installation of HVACR systems for five years.

Furthermore, the bill provides for a biennial license renewal of Master HVACR contractors.

Also, the bill enumerates specific practices in which a licensed master plumber may be engaged. In addition, the bill denotes specific work that is permissible for licensed electricians to perform. It further provides that nothing in this bill should be construed to prevent any person licensed by the State, including, but not limited to, architects, professional engineers, electrical contractors, or master plumbers, from acting within the scope of practice of that profession or occupation, and also states that no person shall use the designation of licensed HVACR contractor unless so licensed in accordance with the provisions of this bill. The bill further stipulates that its provisions shall not apply to any public utility company regulated by the Board of Public Utilities pursuant to Title 48 of the Revised Statutes, or any related competitive business segment of that public utility that offers competitive services pursuant to the "Electric Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-49 et al.). The provisions of this bill shall also not apply to HVACR work performed on buildings, structures or premises owned or operated by a public utility holding company or its subsidiaries.

In addition, the bill provides that any licensed master plumber or any other person who applies for a Master HVACR contractor's license within six months following the bill's effective date, and who has been engaged in the heating, ventilating, air conditioning or refrigeration business for at least two years prior to the date of application, shall receive the Master HVACR contractor's license, without examination, upon application to the board, and submission of satisfactory proof and the payment of a prescribed fee.

The bill, as amended further allows self-insured companies who have been approved by the Department of Banking and Insurance to obtain and retain a pressure seal and renew a license.

The amendments exempt from the provisions of the bill any liquefied petroleum gas marketer who is licensed by the Department of Community Affairs pursuant to subchapter 10 of chapter 5 of Title 18 of the New Jersey Administrative Code.

Furthermore, the amendments remove from the definition of heating, ventilation, air conditioning and refrigeration the installation, servicing, connecting, maintenance and repair of fuel oil tanks not regulated under P.L.1986, c.102(C.58:10A-21 et seq.) while allowing

master plumbers to continue to engage in the installation, repair, testing or closure of waste oil underground storage tanks.

Finally, the bill as amended requires every licensed HVACR contractor whose general liability policy is cancelled or nonrenewed to submit to the board a copy of the certificate of general liability insurance for a new or replacement policy which meets certain requirements set forth in the bill, before the former policy is no longer effective.

FISCAL NOTE
ASSEMBLY, No. 1016
STATE OF NEW JERSEY
212th LEGISLATURE

DATED: AUGUST 1, 2006

SUMMARY

Synopsis: Establishes the State Board of Examiners of Heating, Ventilation and Air Conditioning Contractors.

Type of Impact: Expenditure Increase Eventually Offset by Fees. General Fund.

Agencies Affected: Department of Law and Public Safety; Division of Consumer Affairs.

Executive Estimate

Fiscal Impact	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
State Cost	\$50,000	\$50,000	\$540,000
State Revenue	None	None	\$1,200,000

- The Office of Legislative Services **concurs** with the Executive's estimate.
- Establishes the State Board of Examiners of Heating, Ventilation and Air Conditioning Contractors.
- Requires heating, ventilating and air conditioning firms to carry general liability insurance and to file their Federal Tax Identification number with the State.

BILL DESCRIPTION

Assembly Bill No. 1016 of 2006 establishes licensing requirements and standards for persons engaged in the business of heating, ventilating and air conditioning contracting and the responsible collection and disbursement of chlorofluorocarbons and other refrigerants to protect the environment.

The bill establishes the State Board of Examiners of Heating, Ventilation and Air Conditioning Contractors consisting of nine members representing the New Jersey heating, ventilating and air conditioning community.

The bill also requires heating, ventilating and air conditioning firms to carry general liability insurance and to file their Federal Tax Identification number with the State Board of Examiners of Heating, Ventilation and Air Conditioning Contractors.

FISCAL ANALYSIS

EXECUTIVE BRANCH

DIVISION OF CONSUMER AFFAIRS

The Division of Consumer Affairs in the Department of Law and Public Safety estimates, based on recent experience with the creation of similar boards/committees, that it takes approximately two years for a new regulatory board or committee to become fully operational. During those two years, the appointed board members, division staff and deputy attorney generals meet to establish regulations, application forms and licensure requirements, and until the process has been completed, there is no revenue to support the operation. The division further estimates that the enactment of this bill would cost \$50,000 per year in the first and second years.

In order to process the influx in registrations, the division estimates that they would need an increase in staff under this legislation. This figure includes the salary of one part-time executive secretary and one part-time head clerk, at \$23,000; fringe benefits at \$8,000; materials and supplies, at \$1,000; and data processing, travel, postage and Division of Law reimbursements, at \$18,000.

Upon the third year, the division estimates that the enactment of this bill would cost \$540,000. The division concluded an increase in staff, supplies and data processing would be needed. The figure includes the both part-time executive secretary and head clerk expanded to full time employees and the addition of a principal clerk typist, senior audit account clerk and a computer operator assistant, at \$188,000; fringe benefits at \$62,000; materials and supplies, at \$10,000; data processing, travel, postage and Division of Law reimbursements, at \$265,000; and data processing equipment, at \$15,000. The cost estimate for year four will increase by an inflationary factor and that the revenue generated by the application licensure process will cover the operation fully.

The division approximates a potential licensee base of 8,000 from information provided by a representative of the industry as the number of potential licensees cannot be verified since they are not currently required to register with the State. The Plumbing, Heating and Cooling Contractor's Association representative's potential licensing estimate was given between 8,000-12,000. The New Jersey Department of Labor's publication "Projections 2008" cites the estimated and projected employment by occupations, between 1998 and 2008, for heating, ventilation and air conditioning contractors as 8,500.

OFFICE OF MANAGEMENT AND BUDGET

The Office of Management and Budget (OMB) estimates that to establish a State Board of Examiners of Heating, Ventilation, and Air Conditioning Contractors would require a \$100,000 General Fund appropriation for the first two years of operation which during this time, revenue would not be generated. The OMB estimates that there is a potential licensee base of 8,000.

The OMB estimates that the initial licensing fee for new contractors and biennial renewal licensing fee, based on a potential licensee base of 8,000, would be set at approximately \$150.00,

resulting in biennial revenues totaling \$1.2 million. Revenue collections generated in the third year of operation, would offset initial operating costs. The OMB notes that in the past, the department has absorbed the costs for the first two years, and then back billed for those costs in the third year.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services concurs with the Executive's estimate.

Section: Law and Public Safety

*Analyst: Kristin A. Brunner
Associate Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L. 1980, c.67.

FISCAL NOTE
[First Reprint]
ASSEMBLY, No. 1016
STATE OF NEW JERSEY
212th LEGISLATURE

DATED: JUNE 14, 2007

SUMMARY

Synopsis: Establishes the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors.

Type of Impact: Expenditure Increase Eventually Offset by Fees. General Fund.

Agencies Affected: Department of Law and Public Safety; Division of Consumer Affairs.

Executive Estimate

Fiscal Impact	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
State Cost	\$50,000	\$50,000	\$540,000
State Revenue	No Impact - See Comments Below		\$1,200,000

- The Office of Legislative Services **concurs** with the Executive's cost estimate.
- Establishes the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors.
- Requires heating, ventilating, air conditioning and refrigeration (HVACR) firms to carry general liability insurance and to file their Federal Tax Identification number with the State.
- Establishes education requirements for a Master HVACR contractor as a condition for biennial license renewal.

BILL DESCRIPTION

Assembly Bill No. 1016 (1R) of 2006 establishes licensing requirements and standards for persons engaged in the business of heating, ventilating, air conditioning and refrigeration contracting and the responsible collection and disbursement of chlorofluorocarbons and other refrigerants to protect the environment.

The bill establishes the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors consisting of nine members representing the New Jersey HVACR community.

The bill also requires heating, ventilating, air conditioning and refrigeration (HVACR) firms to carry general liability insurance and to file their Federal Tax Identification number with the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors.

FISCAL ANALYSIS

EXECUTIVE BRANCH

DIVISION OF CONSUMER AFFAIRS

The Division of Consumer Affairs in the Department of Law and Public Safety estimates, based on recent experience with the creation of similar boards/committees, that it takes approximately two years for a new regulatory board or committee to become fully operational. During those two years, the appointed board members, division staff and deputy attorney generals meet to establish regulations, application forms and licensure requirements, and until the process has been completed, there is no revenue to support the operation. The division further estimates that the enactment of this bill would cost \$50,000 in the first and second years.

In order to process the influx in registrations, the division estimates that they would need an increase in staff under this legislation. This figure includes the salary of one part-time executive secretary and one part-time head clerk, at \$23,000; fringe benefits at \$8,000; materials and supplies, at \$1,000; and data processing, travel, postage and Division of Law reimbursements, at \$18,000.

Upon the third year, the division estimates that the enactment of this bill would cost \$540,000. The division concluded an increase in staff, supplies and data processing would be needed. The figure includes both the part-time executive secretary and head clerk expanded to full time positions and the addition of a principal clerk typist, senior audit account clerk and a computer operator assistant, at \$188,000; fringe benefits at \$62,000; materials and supplies, at \$10,000; data processing, travel, postage and Division of Law reimbursements, at \$265,000; and data processing equipment, at \$15,000. The cost estimate for year four will increase by an inflationary factor and the revenue generated by the application licensure process will cover the operation fully.

The division approximates a potential licensee base of 8,000 from information provided by a representative of the industry as the number of potential licensees cannot be verified since they are not currently required to register with the State. The Plumbing, Heating and Cooling Contractor's Association representative's potential licensing estimate was given between 8,000-12,000. The New Jersey Department of Labor's publication "Projections 2008" cites the estimated and projected employment by occupations, between 1998 and 2008, for heating, ventilation and air conditioning contractors as 8,500.

OFFICE OF MANAGEMENT AND BUDGET

The Office of Management and Budget (OMB) estimates that to establish a State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors would require a \$100,000 General Fund appropriation for the first two years of operation which during this time, revenue would not be generated. OMB estimates that there is a potential licensee base of 8,000.

The OMB estimates that the initial licensing fee for new contractors and biennial renewal licensing fee, based on a potential licensee base of 8,000, would be set at approximately \$150.00, resulting in biennial revenues totaling \$1.2 million. Revenue collections generated in the third year of operation, would offset initial operating costs. The OMB notes that in the past, the department has absorbed the costs for the first two years, and then back billed for those costs in the third year.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services concurs with the Executive's cost estimate.

Section: Law and Public Safety

*Analyst: Kristin A. Brunner
Associate Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L. 1980, c.67.

SENATE, No. 2393

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED DECEMBER 11, 2006

Sponsored by:
Senator JOSEPH CONIGLIO
District 38 (Bergen)

SYNOPSIS

Establishes the State Board of Examiners of Heating, Ventilation and Air Conditioning Contractors.

CURRENT VERSION OF TEXT

As introduced.



S2393 CONIGLIO

2

1 AN ACT providing for the licensing of heating, ventilating and air
2 conditioning contractors, amending P.L.1971, c.60, P.L.1974,
3 c.46 and P.L.1978, c.73 and supplementing Title 45 of the
4 Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. (New section) Sections 1 through 22 of this act shall be
10 known and may be cited as "The State Heating, Ventilating and Air
11 Conditioning Contracting License Law."

12

13 2. (New section) As used in this act:

14 "Apprentice HVAC tradesperson" means any person who, as his
15 principal occupation, is engaged in learning and assisting in the
16 installation and servicing of HVAC systems.

17 "Board" means the State Board of Examiners of Heating,
18 Ventilation and Air Conditioning Contractors created by section 3
19 of this act.

20 "Bona fide representative" means: in the case of a sole
21 proprietorship, the owner; in the case of a partnership, a partner; in
22 the case of a limited liability company, a manager; or in the case of
23 a corporation, an executive officer.

24 "Director" means the Director of the Division of Consumer
25 Affairs in the Department of Law and Public Safety.

26 "Heating, ventilating and air conditioning" or "HVAC" means
27 the process of treating and protecting the environment by the
28 responsible handling, dispensing, collecting and cleaning of
29 chlorofluorocarbons and other refrigerants in stationary sources,
30 and controlling the temperature, humidity and cleanliness of air by
31 using the "wet," "dry," "radiant," "conduction," "convection,"
32 "direct," or "indirect" method or combination of methods, including
33 those which utilize solar energy, to meet the environmental
34 requirements of a designated area. "HVAC" also means the
35 installation, maintenance and repair of: power boiler systems,
36 hydronic heating systems, fire tube and water tube boilers, pressure
37 steam and hot water boilers, furnaces and space heaters, and
38 appurtenances utilizing electric, fossil fuel or solar energy other
39 than for the use of heating potable water; warm air heating or
40 refrigeration and evaporative cooling systems, ventilation and
41 exhaust systems, dust collectors, air handling equipment, heating or
42 cooling coils, air or refrigerant compressors, chillers, cooling
43 towers, evaporators, condensers, plenums, fans, blowers, air
44 cleaners, mechanical ventilation for radon mitigation, humidifiers,
45 filters, louvers, mixing boxes and appurtenances; hydronic heating

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 and chilled water pipe, condensate piping not regulated under
2 P.L.1968, c.362 (C.45:14C-1 et seq.), valves, fittings, fuel oil
3 storage tanks not regulated under P.L.1986, c.102 (C.58:10A-21 et
4 seq.), burners and piping, hydronic heating, expansion tanks,
5 pumps, gauges, humidity and thermostatic controls; natural or
6 manufactured gas piping on the load side of a meter; supply water
7 piping to equipment being served from an existing dedicated source
8 connected downstream from an approved backflow preventer,
9 except in replacement cases, the installation of the required
10 approved backflow device downstream from a pre-existing valve;
11 and the maintaining, installing or connecting of: pneumatic controls
12 and control piping, for the control of air, liquid, or gas
13 temperatures, radiators, convectors, unit cabinet heaters, fan coil
14 units, flues, or patented chimneys; and pneumatic controls and
15 control piping, of automatic oil, gas or coal burning equipment,
16 mechanical refrigeration equipment, gasoline or diesel oil
17 dispensing equipment and in replacement cases only, the connection
18 thereof of the wiring from an electrical service disconnect box of
19 adequate size to accommodate the equipment and controls and
20 previously dedicated to that equipment, and the testing and
21 balancing of air and hydronic systems, but does not include the
22 design or preparation of specifications for equipment or systems to
23 be installed that are within the practice of professional engineering
24 as defined in subsection (b) of section 2 of P.L.1938, c.342 (C.45:8-
25 28).

26 "Heating, ventilating and air conditioning contracting" means
27 undertaking or advertising to undertake, for a fixed price, fee,
28 commission, or gain of whatever nature, the planning, laying out,
29 installation, construction, maintenance, service, repair, alteration or
30 modification to any portion of any system, product or equipment or
31 appurtenances used for the environmental needs or control of any
32 heating, ventilating and air conditioning system.

33 "Heating, ventilating and air conditioning contractor" means any
34 person, firm, partnership, corporation or other legal entity licensed
35 according to the provisions of this act which obtains a pressure seal
36 pursuant to sections 18 and 19 of this act and which advertises,
37 undertakes or offers to undertake for another the planning, laying
38 out, supervising, installing, or repairing of HVAC systems,
39 apparatus or equipment. In order to act as an "HVAC contractor,"
40 an individual shall be a bona fide representative of the legal entity
41 licensed pursuant to the provisions of this act.

42 "Journeyman HVAC tradesperson" means any person who
43 installs, alters, repairs and renovates HVAC systems in accordance
44 with standards, rules and regulations established by the board and
45 who works under the supervision of an HVAC contractor.

46 "Retrofit" means a change in design, construction or equipment
47 already in operation in order to incorporate later improvements.

48 "Replacement" means a change of equipment with the same type

1 or similar equipment.

2

3 3. (New section) There is created within the Division of
4 Consumer Affairs in the Department of Law and Public Safety the
5 State Board of Examiners of Heating, Ventilation and Air
6 Conditioning Contractors. The board shall consist of nine members
7 who are residents of the State of New Jersey and who, except for
8 the member from the department in the Executive Branch of State
9 Government, shall be appointed by the Governor. In addition to the
10 two public members appointed to represent the interests of the
11 public pursuant to the provisions of subsection b. of section 2 of
12 P.L.1971, c.60 (C.45:1-2.2), one member shall be from a
13 department in the Executive Branch of State Government who shall
14 serve without compensation at the pleasure of the Governor; three
15 members shall be practicing HVAC contractors with at least 10
16 years experience; two members shall be mechanical inspectors with
17 at least 10 years experience; and one member shall be a journeyman
18 HVAC tradesperson of at least 10 years experience.

19 The Governor shall appoint each member, other than the State
20 executive department member, for terms of four years, except that
21 of the members first appointed, other than the State executive
22 department member, two shall serve for a term of four years, two
23 shall serve for a term of three years, two shall serve for a term of
24 two years, and two shall serve for terms of one year. Any vacancy
25 in the membership shall be filled for the unexpired term in the
26 manner provided for the original appointment. No member of the
27 board may serve more than two successive terms in addition to any
28 unexpired term to which he has been appointed. The Governor may
29 remove any member of the board, other than the State executive
30 department member, for cause.

31

32 4. (New section) The board shall, in addition to other powers
33 and duties it may possess by law:

34 a. Administer the provisions of this act;

35 b. Examine and pass on the qualifications of all applicants for
36 license under this act, and issue a license to each qualified
37 successful applicant;

38 c. Examine, evaluate and supervise all examinations and
39 procedures;

40 d. Adopt a seal which shall be affixed to all licenses issued by it;

41 e. Adopt rules and regulations pursuant to the "Administrative
42 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) as it may
43 deem necessary to enable it to perform its duties under and to
44 enforce the provisions of this act;

45 f. Annually publish a list of the names and addresses of all
46 persons who are licensed under this act;

47 g. Establish standards for continuing education; and

48 h. Prescribe or change the charges for examinations, licensures,

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1 renewals and other services performed pursuant to P.L.1974, c.46
2 (C.45:1-3.1 et seq.).

3

4 5. (New section) Any person desiring to obtain a State HVAC
5 contractor's license shall make application for licensure to the board
6 and shall pay all the fees required in connection with the
7 application, and be examined as required by this act.

8

9 6. (New section) On or after the effective date of this act, a
10 municipality, local board of health or any other agency shall not
11 issue or renew any HVAC contractor's license.

12

13 7. (New section) a. A person shall not work as an HVAC
14 contractor or use the title or designation of "licensed HVAC
15 contractor" or "HVAC contractor" unless licensed pursuant to the
16 provisions of this act.

17 b. A person, firm, partnership, corporation or other legal entity
18 shall not engage in the business of HVAC contracting or advertise
19 in any manner as an HVAC contractor or use the title or designation
20 of "licensed HVAC contractor" or "HVAC contractor" unless
21 authorized to act as an HVAC contractor pursuant to the provisions
22 of this act.

23

24 8. (New section) Nothing in this act shall be construed to
25 prevent the practice of engineering by a holder of a license to
26 practice that profession in this State, but no engineer shall use the
27 designation "licensed HVAC contractor" unless licensed as an
28 HVAC contractor under the provisions of this act.

29

30 9. (New section) The provisions of this act shall not apply to a
31 single family home owner who personally occupies his own
32 dwelling and who solely performs HVAC work on his own
33 dwelling, upon receipt of all required permits, except that any
34 HVAC work involving chlorofluorocarbons (CFC's) or
35 hydrochlorofluorocarbons (HCFC's) shall be performed only by a
36 licensed HVAC contractor.

37

38 10. (New section) The provisions of this act shall not apply to
39 any public utility company regulated by the Board of Public
40 Utilities pursuant to Title 48 of the Revised Statutes that performs
41 emergency repair services to prevent an imminent threat to the
42 health and safety of life or property, which repair services include,
43 but are not limited to, turning off, disconnecting, shutting down or
44 disabling any equipment or condition or the provision of any
45 products.

46

47 11. (New section) The provisions of this act shall not deny to
48 any municipality the power to inspect HVAC work or equipment or

1 the power to enforce the standards and manner in which HVAC
2 work shall be done, but no municipality, local board of health or
3 other agency shall require any HVAC contractor licensed under this
4 act, or authorized to engage in the business of HVAC contracting
5 under this act, to obtain any additional license, apply for or take any
6 examination, or pay any licensing fee.

7
8 12. (New section) Not less than 30 days and not more than 60
9 days prior to the date set for the examination for an HVAC
10 contractor's license, every person, except as provided in this act,
11 desiring to apply for a license, who meets the qualifications as set
12 forth in this act, shall deliver to the board, personally or by certified
13 mail, return receipt requested, postage prepaid, a certified check or
14 money order payable to the Treasurer of the State of New Jersey in
15 the required amount, together with the written application required
16 by the board, completed as described in the application, and
17 together with proof of qualifications as described in this act.

18 The qualifications for an HVAC contractor's license shall be as
19 follows: The person shall be 21 or more years of age and a citizen
20 or legal resident of the United States, and shall have been employed
21 in the HVAC contracting business for a period of five years next
22 preceding the date of his application for a license. Three or more of
23 the five years shall have been spent while engaged or employed as a
24 journeyman HVAC tradesperson. At least two years of the five
25 years shall have been spent in an HVAC apprenticeship or other
26 training program approved by the Department of Education, with
27 proof of passage and successful completion of this program while
28 actively engaged or employed as an apprentice as determined by the
29 board. In lieu of the above requirements a person shall have been
30 awarded a bachelor's degree in HVAC technology from an
31 accredited college or university in the United States which the
32 board finds acceptable and, in addition, shall have been engaged or
33 employed in the practical work of installing HVAC systems for
34 three years.

35 Proof of compliance with the qualifications or those in lieu
36 thereof shall be submitted to the board in writing, sworn to by the
37 applicant, and accompanied by two recent passport-size
38 photographs of the applicant.

39
40 13. (New section) a. Every HVAC contractor's license
41 examination shall be substantially uniform and shall be designed so
42 as to establish the competence and qualifications of the applicant to
43 perform the type of work and business as described in this act. The
44 examination may be theoretical or practical in nature, or both.

45 b. The examination shall be held at least four times a year, at
46 Trenton or other place the board deems necessary. Public notice of
47 the time and place of the examination shall be given.

48 c. No person who has failed the examination shall be eligible to

1 be reexamined for a period of six months from the date of the
2 examination failed by that person.

3 d. All applicants for HVAC licenses, renewals or reexaminations
4 shall pay a fee for each license issuance or renewal, or
5 reexamination as determined by the board.

6
7 14. (New section) Licenses shall be renewed biennially by the
8 board upon written application of the holder and payment of the
9 prescribed fee and renewal of the bond required by section 17 of
10 this act. A license may be renewed without reexamination, if the
11 application for renewal is made within 30 days next preceding or
12 following the scheduled expiration date. Any applicant for renewal
13 making application at any time subsequent to the 30th day next
14 following the scheduled expiration date may be required by the
15 board to be re-examined, and that person shall not continue to act as
16 a licensed HVAC contractor, as described in this act, and no firm,
17 corporation or other legal entity for which the person is the bona
18 fide representative shall operate under a license in the HVAC
19 business, as described in this act, until a valid license has been
20 secured or is held by a bona fide representative.

21 Any license expiring while the holder is outside the continental
22 limits of the United States in connection with any project
23 undertaken by the government of the United States, or while in the
24 services of the Armed Forces of the United States, shall be renewed
25 without the holder being required to be reexamined, upon payment
26 of the prescribed fee at any time within four months after the
27 person's return to the United States or discharge from the armed
28 forces, whichever is later.

29
30 15. (New section) The board may in its discretion grant licenses
31 without examination to applicants so licensed by other states;
32 provided that equal reciprocity is provided for New Jersey HVAC
33 contractors by the law of the applicant's domiciliary state and
34 provided further that the domiciliary state's standards are equal to or
35 comparable to those of this State.

36
37 16. (New section) No firm, corporation or other legal entity
38 operating under and by virtue of this act shall be denied the
39 privilege of conducting and continuing the business of HVAC
40 contracting, by reason of death, termination of employment, illness
41 or a substantial disability of the bona fide representative of the firm,
42 corporation or other entity, provided that: the firm, corporation or
43 other entity has complied with the other provisions of this act; the
44 firm, corporation or other entity maintains a place of business
45 within this State; and another bona fide representative of the entity
46 obtains a State license within six months from the date of the death,
47 termination of employment, illness or disability. The board may
48 promulgate additional regulations governing the management and

1 operation of an entity during that period of time when the entity
2 shall be in operation without having a bona fide representative.

3
4 17. (New section) In addition to any other bonds that may be
5 required pursuant to contract, no HVAC contractor licensed under
6 this act shall undertake to do any HVAC work in the State unless
7 and until he shall have first entered into a bond in favor of the State
8 of New Jersey in the sum of \$3,000 executed by a surety company
9 authorized to transact business in this State, approved by the
10 Department of Banking and Insurance and to be conditioned on the
11 faithful performance of the provisions of this act. No municipality
12 shall require any similar bond from any HVAC contractor licensed
13 under this act. The board shall by rule and regulation provide who
14 shall be eligible to receive the financial protection afforded by the
15 bond required to be filed by this section. The bond shall be for the
16 term of 12 months and shall be renewed at each expiration for a
17 similar period.

18
19 18. (New section) To be eligible to obtain and retain a pressure
20 seal, and renew an HVAC license, an HVAC contractor shall:

21 a. Secure, maintain and file with the board a certificate of
22 general liability insurance from an insurance company authorized
23 and licensed to do business in this State covering the HVAC
24 contracting done by that HVAC contractor. The minimum amount
25 of general liability insurance shall be \$300,000 for the combined
26 property damage and bodily injury to or death of one or more
27 persons in any one accident or occurrence;

28 b. File with the board its Federal Tax Identification number; and

29 c. Comply with any continuing education requirements regarding
30 license renewal for an HVAC contractor established by the board
31 through regulation.

32 Every certificate of insurance required to be filed with the board
33 pursuant to this section shall provide that cancellation of the
34 insurance shall not be effective unless and until at least 10 days'
35 notice of intention to cancel has been received in writing by the
36 board.

37
38 19. (New section) a. The board shall provide a pressure seal to
39 an HVAC contractor at the time of the issuance of a license or as
40 soon thereafter as deemed appropriate by the board. No pressure
41 seal shall be provided by the board or retained by an HVAC
42 contractor unless the HVAC contractor complies with the
43 provisions of sections 17 and 18 of this act. The HVAC contractor
44 shall pay the cost of the pressure seal, but the seal shall remain the
45 property of the board. The pressure seal shall be surrendered to the
46 board immediately upon suspension, revocation or expiration of the
47 license or upon a finding of noncompliance with the provisions of
48 section 18 of this act.

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1 b. An HVAC contractor shall impress his pressure seal upon all
2 applications for HVAC permits from the appropriate duly licensed
3 State inspection agency.

4 c. A pressure seal shall be used exclusively by an HVAC
5 contractor or in the conduct of the HVAC contractor's practice. An
6 HVAC contractor shall not willfully or negligently allow any
7 person to use his pressure seal.

8
9 20. (New section) Notwithstanding any other provision of this
10 act to the contrary, the board shall, upon application to it and
11 submission of satisfactory proof and the payment of the prescribed
12 fee within six months following the effective date of this act, issue
13 an HVAC license without examination to: a. any licensed master
14 plumber who has been engaged in the heating, ventilating or air
15 conditioning business for at least two years prior to the date of his
16 application for an HVAC license; or b. any person who has been
17 engaged as a heating, ventilating and air conditioning contractor for
18 at least two years prior to his date of application for an HVAC
19 license.

20 A person entitled to an HVAC license under the provisions of
21 this section shall comply with the remaining provisions of this act.

22
23 21. (New section) a. Nothing in this act shall be construed to
24 prevent licensed master plumbers from engaging in the installation,
25 maintenance and repair of: power boiler systems, hot water and
26 steam heating systems, fire tube and water tube boilers, pressure
27 steam and hot water boilers, space heaters, unit heaters, and
28 appurtenances utilizing electricity, fossil fuel or solar energy;
29 steam, hot water and chilled water pipe, condensate piping, valves,
30 fittings, fuel oil storage tanks not regulated under P.L.1986, c.102
31 (C.58:10A-21 et seq.), burners and piping, expansion tanks, pumps,
32 gauges on the load side of a meter; and thermostatic controls; or
33 natural or manufactured gas piping; and the installation,
34 maintenance or connection of: pneumatic controls and control
35 piping for the control of air, liquid or gas temperatures, radiators,
36 convectors, cabinet unit heaters, fan coil units, air handlers utilizing
37 hydronic coils, mechanical ventilation for radon mitigation,
38 humidifiers, flues and patented chimneys; or of pneumatic controls
39 and control piping of automatic oil, gas or coal burning equipment,
40 gasoline or diesel oil dispensing equipment and in replacement
41 cases only, the connection thereof of the wiring from a dedicated
42 electrical service disconnect box of adequate size to accommodate
43 the equipment and controls, and the testing and balancing of
44 hydronic systems.

45 b. Nothing in this act shall be construed to prevent licensed
46 electrical contractors from engaging in the installation of: electrical
47 resistance heating equipment and ventilation equipment with the
48 exhaust duct not exceeding 60 square inches in area, or in

1 commercial applications the connection sleeve between a roof-top
2 mounted exhaust fan and its central connecting register, provided
3 that this connection sleeve is not more than 15 feet in length; and
4 the maintenance and repair of the electrical sections of any
5 equipment used for heating, ventilating or air conditioning.
6

7 22. (New section) Notwithstanding any other provision of this
8 act to the contrary, a licensed master plumber or a person with an
9 HVAC license shall not perform any electrical work which has a
10 potential of greater than 30 volts, involving the wiring of equipment
11 used for heating, ventilating or air conditioning, except in the case
12 of replacement installations as described in sections 2 and 21 of this
13 act or as provided for in section 18 of P.L.1962, c.162 (C.45:5A-
14 18).
15

16 23. Section 1 of P.L.1971, c.60 (C.45:1-2.1) is amended to read
17 as follows:

18 1. The provisions of this act shall apply to the following boards
19 and commissions: the New Jersey State Board of Accountancy, the
20 New Jersey State Board of Architects, the New Jersey State Board
21 of Cosmetology and Hairstyling, the Board of Examiners of
22 Electrical Contractors, the New Jersey State Board of Dentistry, the
23 State Board of Mortuary Science of New Jersey, the State Board of
24 Professional Engineers and Land Surveyors, the State Board of
25 Marriage and Family Therapy Examiners, the State Board of
26 Medical Examiners, the New Jersey Board of Nursing, the New
27 Jersey State Board of Optometrists, the State Board of Examiners of
28 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
29 Pharmacy, the State Board of Professional Planners, the State Board
30 of Psychological Examiners, the State Board of Examiners of
31 Master Plumbers, the New Jersey Real Estate Commission, the
32 State Board of Court Reporting, the State Board of Veterinary
33 Medical Examiners, the Radiologic Technology Board of
34 Examiners, the Acupuncture Examining Board, the State Board of
35 Chiropractic Examiners, the State Board of Respiratory Care, the
36 State Real Estate Appraiser Board, the State Board of Social Work
37 Examiners, **[and]** the State Board of Examiners of Heating,
38 Ventilation and Air Conditioning Contractors, the State Board of
39 Physical Therapy Examiners, the Orthotics and Prosthetics Board of
40 Examiners, the New Jersey Cemetery Board, the State Board of
41 Polysomnography and any other entity hereafter created under Title
42 45 to license or otherwise regulate a profession or occupation.
43 (cf: P.L.2005, c.308, s.8)
44

45 24. Section 1 of P.L.1974, c.46 (C.45:1-3.1) is amended to read
46 as follows:

47 1. The provisions of this act shall apply to the following boards
48 and commissions: the New Jersey State Board of Accountancy, the

1 New Jersey State Board of Architects, the New Jersey State Board
2 of Cosmetology and Hairstyling, the Board of Examiners of
3 Electrical Contractors, the New Jersey State Board of Dentistry, the
4 State Board of Mortuary Science of New Jersey, the State Board of
5 Professional Engineers and Land Surveyors, the State Board of
6 Marriage and Family Therapy Examiners, the State Board of
7 Medical Examiners, the New Jersey Board of Nursing, the New
8 Jersey State Board of Optometrists, the State Board of Examiners of
9 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
10 Pharmacy, the State Board of Professional Planners, the State Board
11 of Psychological Examiners, the State Board of Examiners of
12 Master Plumbers, the State Board of Court Reporting, the State
13 Board of Veterinary Medical Examiners, the Radiologic
14 Technology Board of Examiners, the Acupuncture Examining
15 Board, the State Board of Chiropractic Examiners, the State Board
16 of Respiratory Care, the State Real Estate Appraiser Board, the New
17 Jersey Cemetery Board, the State Board of Social Work Examiners
18 **[and]** , the State Board of Examiners of Heating, Ventilation and
19 Air Conditioning Contractors, the State Board of Physical Therapy
20 Examiners, the State Board of Polysomnography, the Orthotics and
21 Prosthetics Board of Examiners and any other entity hereafter
22 created under Title 45 to license or otherwise regulate a profession
23 or occupation.

24 (cf: P.L.2005, c.308, s.10)

25

26 25. Section 2 of P.L.1978, c.73 (C.45:1-15) is amended to read
27 as follows:

28 2. The provisions of this act shall apply to the following boards
29 and all professions or occupations regulated by, through or with the
30 advice of those boards: the New Jersey State Board of
31 Accountancy, the New Jersey State Board of Architects, the New
32 Jersey State Board of Cosmetology and Hairstyling, the Board of
33 Examiners of Electrical Contractors, the New Jersey State Board of
34 Dentistry, the State Board of Mortuary Science of New Jersey, the
35 State Board of Professional Engineers and Land Surveyors, the
36 State Board of Marriage and Family Therapy Examiners, the State
37 Board of Medical Examiners, the New Jersey Board of Nursing, the
38 New Jersey State Board of Optometrists, the State Board of
39 Examiners of Ophthalmic Dispensers and Ophthalmic Technicians,
40 the Board of Pharmacy, the State Board of Professional Planners,
41 the State Board of Psychological Examiners, the State Board of
42 Examiners of Master Plumbers, the State Board of Court Reporting,
43 the State Board of Veterinary Medical Examiners, the State Board
44 of Chiropractic Examiners, the State Board of Respiratory Care, the
45 State Real Estate Appraiser Board, the State Board of Social Work
46 Examiners, the State Board of Examiners of Heating, Ventilation
47 and Air Conditioning Contractors, the State Board of Physical
48 Therapy Examiners, the State Board of Polysomnography, the

1 Professional Counselor Examiners Committee, the New Jersey
2 Cemetery Board, the Orthotics and Prosthetics Board of Examiners,
3 the Occupational Therapy Advisory Council, the Electrologists
4 Advisory Committee, the Acupuncture Advisory Committee, the
5 Alcohol and Drug Counselor Committee, the Athletic Training
6 Advisory Committee, the Certified Psychoanalysts Advisory
7 Committee, the Fire Alarm, Burglar Alarm, and Locksmith
8 Advisory Committee, the Home Inspection Advisory Committee,
9 the Interior Design Examination and Evaluation Committee, the
10 Hearing Aid Dispensers Examining Committee, the Landscape
11 Architect Examination and Evaluation Committee, the Massage,
12 Bodywork and Somatic Therapy Examining Committee, the
13 Perfusionists Advisory Committee, the Physician Assistant
14 Advisory Committee, and the Audiology and Speech-Language
15 Pathology Advisory Committee and any other entity hereafter
16 created under Title 45 to license or otherwise regulate a profession
17 or occupation.

18 (cf: P.L.2005, c.308, s.11)

19

20 26. This act shall take effect immediately, except that section 7
21 shall take effect 360 days following the appointment and
22 qualification of the board members, and provided that the director
23 and board may take such anticipatory action as may be necessary to
24 effectuate that provision of the act.

25

26

27

STATEMENT

28

29 This bill establishes licensing requirements for those persons
30 engaged in the business of heating, ventilating and air conditioning
31 contracting and the responsible collection and disbursement of
32 chlorofluorocarbons and other refrigerants to protect the
33 environment. The bill establishes the State Board of Examiners of
34 Heating, Ventilation and Air Conditioning Contractors which shall
35 consist of nine members. Two members shall be public members;
36 three members shall be heating, ventilating and air conditioning
37 contractors with at least 10 years experience; two members shall be
38 mechanical inspectors with at least 10 years experience, one
39 member shall be a journeyman HVAC tradesperson with at least 10
40 years experience; and one member shall be a State executive
41 department member.

42 The bill also requires heating, ventilating and air conditioning
43 (HVAC) firms to carry general liability insurance and to file their
44 Federal Tax Identification number with the State Board of
45 Examiners of Heating, Ventilation and Air Conditioning
46 Contractors. Additionally, it regulates the possession and use of a
47 pressure seal by an HVAC contractor.

48 The bill establishes standards of eligibility for licensure of

1 HVAC contractors. It requires that, to be eligible, a person must
2 have been engaged or employed in the HVAC industry for a period
3 of five years next preceding the date of his application for a State
4 license. The bill provides that three or more of the five years shall
5 have been spent while engaged or employed as a journeyman
6 HVAC tradesperson. At least two of the five years shall have been
7 spent in an HVAC apprenticeship or other training program
8 approved by the board. In lieu of these requirements, the board
9 may accept as satisfactory a background including a bachelor's
10 degree in HVAC technology from an accredited college or
11 university which the board finds acceptable and, in addition, shall
12 have been engaged or employed in practical work experience of
13 installing HVAC systems for three years.

14 Furthermore, the bill provides for a biennial license renewal of
15 HVAC contractors.

16 Also, the bill enumerates specific practices in which a licensed
17 master plumber may be engaged, provided that he does not hold
18 himself out to the public as a licensed HVAC contractor. In
19 addition, the bill denotes specific work that is permissible for
20 licensed electricians to perform. It further provides that nothing in
21 this bill should be construed to prevent the practice of engineering
22 by any person who holds an engineering license and also states that
23 no engineer shall use the designation of licensed HVAC contractor
24 unless so licensed in accordance with the provisions of this bill.
25 The bill further stipulates that its provisions shall not apply to any
26 public utility company regulated by the Board of Public Utilities
27 pursuant to Title 48 of the Revised Statutes that performs
28 emergency repair services to prevent an imminent threat to the
29 health and safety of life or property, which repair services include,
30 but are not limited to, turning off, disconnecting, shutting down or
31 disabling any equipment or condition or the provision of any
32 products.

33 In addition, the bill provides that any licensed master plumber or
34 any other person who applies for an HVAC contractor's license
35 within six months following the bill's effective date, and who has
36 been engaged in the heating, ventilating or air conditioning business
37 for at least two years prior to the date of application, shall receive
38 the HVAC contractor's license, without examination, upon
39 application to the board, and submission of satisfactory proof and
40 the payment of a prescribed fee.

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 2393

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 21, 2007

The Senate Labor Committee reports favorably and with committee amendments Senate Bill No. 2393.

As amended, this bill establishes licensing requirements for those persons engaged in the business of heating, ventilating, air conditioning and refrigeration contracting and the responsible collection and disbursement of chlorofluorocarbons and other refrigerants to protect the environment. The bill establishes the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors, which shall consist of nine members. Two members shall be public members; three members shall be heating, ventilating, air conditioning and refrigeration contractors with at least 10 years experience; two members shall be mechanical inspectors with at least 10 years experience, one member shall be a heating, ventilating, air conditioning and refrigeration journeyman with at least 10 years experience; and one member shall be a State executive department member.

The bill also requires heating, ventilating, air conditioning and refrigeration (HVACR) firms to carry general liability insurance and to file their Federal Tax Identification number with the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors. Additionally, it regulates the possession and use of a pressure seal by a Master HVACR contractor.

The bill establishes standards of eligibility for licensure of Master HVACR contractors. It requires that, to be eligible, a person must have been engaged or employed in the HVACR industry for a period of five years next preceding the date of his application for a State license. The bill provides that three or more of the five years shall have been spent while engaged or employed as an HVACR journeyman or licensed plumber. As amended, at least four of the five years shall have been spent in an HVACR apprenticeship or other training program approved by the United States Department of Labor, with proof of passage and successful completion of this program while actively engaged or employed as an apprentice as determined by the board. In lieu of these requirements, the board may accept as satisfactory a background including a bachelor's degree: a. in HVACR

technology from an accredited college or university which the board finds acceptable and, in addition, the person shall have been engaged or employed in practical work of installing HVACR systems for three years; or b. from an accredited college or university in the United States which the board finds acceptable and, in addition, the person shall have been engaged or employed in the direct supervision of the installation of HVACR systems for five years.

Furthermore, the bill provides for a biennial license renewal of Master HVACR contractors.

Also, the bill enumerates specific practices in which a licensed master plumber may be engaged. In addition, the bill denotes specific work that is permissible for licensed electricians to perform. It further provides that nothing in this bill should be construed to prevent any person licensed by the State, including, but not limited to, architects, professional engineers, electrical contractors, or master plumbers, from acting within the scope of practice of that profession or occupation, and also states that no person shall use the designation of licensed HVACR contractor unless so licensed in accordance with the provisions of this bill. The bill further stipulates that its provisions shall not apply to any public utility company regulated by the Board of Public Utilities pursuant to Title 48 of the Revised Statutes, or any related competitive business segment of that public utility that offers competitive services pursuant to the "Electric Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-49 et al.). The provisions of this bill shall also not apply to HVACR work performed on buildings, structures or premises owned or operated by a public utility holding company or its subsidiaries.

In addition, the bill provides that any licensed master plumber or any other person who applies for a Master HVACR contractor's license within six months following the bill's effective date, and who has been engaged in the heating, ventilating, air conditioning or refrigeration business for at least two years prior to the date of application, shall receive the Master HVACR contractor's license, without examination, upon application to the board, and submission of satisfactory proof and the payment of a prescribed fee.

The bill, as amended further allows self-insured companies who have been approved by the Department of Banking and Insurance to obtain and retain a pressure seal and renew a license.

The amendments exempt from the provisions of the bill any liquefied petroleum gas marketer who is licensed by the Department of Community Affairs pursuant to subchapter 10 of chapter 5 of Title 18 of the New Jersey Administrative Code.

Furthermore, the amendments remove from the definition of heating, ventilation, air conditioning and refrigeration the installation, servicing, connecting, maintenance and repair of fuel oil tanks not regulated under P.L.1986, c.102(C.58:10A-21 et seq.) while allowing master plumbers to continue to engage in the installation, repair, testing or closure of waste oil underground storage tanks.

Finally, the bill as amended requires every licensed HVACR contractor whose general liability policy is cancelled or nonrenewed to submit to the board a copy of the certificate of general liability insurance for a new or replacement policy which meets certain requirements set forth in the bill, before the former policy is no longer effective.

ASSEMBLY BILL NO. 1016
(Second Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Assembly Bill No. 1016 (Second Reprint) with my recommendations for reconsideration.

This bill would authorize the creation of a new nine member regulatory board within the Division of Consumer Affairs, Department of Law and Public Safety. The new board would regulate "Heating, Ventilation, Air Conditioning and Refrigeration Contractors" throughout the State.

I commend the bill sponsors for their concern with consumer safety and quality assurance in a field that impacts virtually every citizen in this State. However, I have several concerns about this bill as drafted.

First, the definition of HVACR includes the repair and maintenance of "flues and patented chimneys." As written, the bill would force those in the Chimney Guild to discontinue practicing their crafts unless they take an exam and are licensed to do refrigeration, heating and air conditioning. I suggest the bill be amended to exempt those in the chimney guild, much in the same way that the bill presently exempts architects, engineers, electricians and plumbers.

Also, under Section 13 of the bill, eligibility for the Master HVACR contractor's license requires that the applicant be employed in the HVACR contracting business for the five years preceding the date of the application. The bill explains that three of those five years must be spent as a journeyman or licensed plumber. The bill further explains that four of the five years must be spent in an HVACR apprenticeship or other approved apprenticeship program. This needs clarification. As

written, it would take the applicant at least seven years to be eligible to take the Master HVACR exam - rather than five. I suggest that this section be amended to mirror the Master Plumber's Licensing Law (N.J.S.A. 45:14C- 15(b)), which allows the five-year pre-exam training requirement to be satisfied with one year as a journeyman along with four years as an apprentice.

Moreover, the bill allows an individual with a four-year degree in HVACR technology to apply for a Master HVACR license after three additional years of field training. I see this requirement as unnecessarily demanding since an applicant seeking to be a Master Plumber after obtaining a four-year degree in that area could take the exam after only one year of field training. The two sets of requirements should be consistent.

The bill also has what I believe to be an unintended negative effect on programs currently offered at trade schools and community colleges. Currently, several trade schools and community colleges offer one- and two- year HVAC programs. As written, the bill would not provide any credit toward a license for completion of such a program. I propose amending the bill such that completing an HVAC program at a trade school or community college would result in the applicant receiving two years worth of credit toward filling the bill's apprenticeship requirement. As a result, instead of being compelled to complete four years as an apprentice and one year as a journeyman after having already completed an HVAC program at a trade school or community college, an individual having completed a trade school or community college HVAC program would need to complete two additional years as an apprentice and one

year as a journeyperson before being allowed to take the Master HVACR exam.

Lastly, there are also problems with the insurance section of the bill. The last paragraph of Section 24(b) of the bill provides that "every certificate of insurance required to be filed with the board pursuant to this section shall provide that cancellation of the insurance shall not be effective unless and until at least ten days notice of intention to cancel has been received in writing by the board." I am advised that insurance producers could not comply with this requirement as general liability insurance policies issued in this state do not provide for notice of cancellation to anyone other than the policy holders, and certificates of insurance cannot amend the policy terms. Thus, I suggest the removal of the last paragraph of Section 24(b) from the bill.

Accordingly, I herewith return Assembly Bill No. 1016 (Second Reprint) and recommend that it be amended as follows:

- Page 3, Section 2, Line 21: After "cabinet heaters," insert "or"
- Page 3, Section 3, Line 22: After "coil units" delete ", flues, or patented chimneys"
- Page 6, Section 8, Line 7: After "electrical contractors," delete "or"
- Page 6, Section 8, Line 7: After "master plumbers," insert "or any chimney service professional registered as a home improvement contractor with the Division of Consumer Affairs,"
- Page 7, Section 13, Line 22: After "license." delete "Three" and insert "One"
- Page 7, Section 13, Line 31: After "by the board." insert "Successful completion of an HVAC program given by an accredited technical school, trade school, county college or community college shall satisfy two years of the minimum four years that must be spent in an approved apprenticeship or other training program."
- Page 7, Section 13, Line 36: After "for" delete "three years" and insert "one year"

Pg 7, Section 13, Line 40: After "for" delete "five" and insert "three"

Pg 11, Section 24, Lines 4-8: Delete "Every certificate of insurance required to be filed with the board pursuant to this section shall provide that cancellation of the insurance shall not be effective unless and until at least 10 days' notice of intention to cancel had been received in writing by the board."

Respectfully,

/s/ Jon S. Corzine

Governor

[seal]

Attest:

/s/ Kenneth H. Zimmerman

Chief Counsel to the Governor