

## CHAPTER 125

**AN ACT** concerning heating, ventilating, air conditioning and refrigeration contractors, and amending P.L.2007, c.211.

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

1. Section 2 of P.L.2007, c.211 (C.45:16A-2) is amended to read as follows:

C.45:16A-2 Definitions relative to licensing of HVACR contractors.

2. As used in this act:

"Board" means the State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors created by section 3 of this act.

"Bona fide representative" means, except as otherwise provided herein, a Master HVACR contractor who has not less than one percent ownership of the issued and outstanding shares of stock in a corporation, or not less than one percent ownership of the capital of a partnership, or not less than one percent ownership of any other firm or legal entity engaged in HVACR contracting in this State. A "bona fide representative" means, with respect to a corporation, partnership, or other firm or legal entity engaged in HVACR contracting in this State which generates more than 65 percent of its gross revenue from sources other than HVACR contracting, or with respect to a publicly-traded corporation, including its wholly-owned subsidiaries, whose principal business in this State is HVACR contracting: in the case of a sole proprietorship, the owner; in the case of a partnership, a partner; in the case of a limited liability company, a manager; or in the case of a corporation, an executive officer.

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

"Heating, ventilating, air conditioning and refrigeration" or "HVACR" means the process of treating and protecting the environment by the responsible handling, dispensing, collecting and cleaning of chlorofluorocarbons and other refrigerants in stationary sources, and controlling the temperature, humidity and cleanliness of air by using the "wet," "dry," "radiant," "conduction," "convection," "direct," or "indirect" method or combination of methods, including those which utilize solar energy, to meet the environmental requirements of a designated area. "HVACR" also means the installation, servicing, connecting, maintenance or repair of the following:

power boiler systems, hydronic heating systems, fire tube and water tube boilers, pressure steam and hot water boilers, furnaces and space heaters, and appurtenances utilizing electric, fossil fuel, wood pellets or solar energy, other than those appurtenances utilized solely for the purpose of heating potable water;

warm air heating or refrigeration and evaporative cooling systems, ventilation and exhaust systems, dust collectors, air handling equipment, heating or cooling coils, air or refrigerant compressors, chillers, cooling towers, evaporators, condensers, plenums, fans, blowers, air cleaners, mechanical ventilation for radon mitigation, humidifiers, filters, louvers, mixing boxes and appurtenances; hydronic heating and chilled water pipe, condensate piping not discharged into a sanitary sewer, valves, fittings, burners and piping, hydronic heating, expansion tanks, pumps, gauges, humidity and thermostatic controls;

natural or manufactured gas piping on the load side of a meter; supply water piping to equipment being served from an existing dedicated source connected downstream from an approved backflow preventer, except in replacement cases, the installation of the required approved backflow device downstream from a pre-existing valve; and pneumatic controls and control piping, for the control of air, liquid, or gas temperatures, radiators, convectors, unit cabinet heaters, or fan coil units; and pneumatic controls and control piping, of

automatic oil, gas or coal burning equipment, mechanical refrigeration equipment, gasoline or diesel oil dispensing equipment and in replacement cases only, the connection thereof of the wiring from an electrical service disconnect box of adequate size to accommodate the equipment and controls and previously dedicated to that equipment, and the testing and balancing of air and hydronic systems, but does not include the design or preparation of specifications for equipment or systems to be installed that are within the practice of professional engineering as defined in subsection (b) of section 2 of P.L.1938, c.342 (C.45:8-28).

“HVACR apprentice” means a person who is enrolled in an HVACR apprenticeship or other training program, including, but not limited to steamfitter, pipefitter or sheet metal apprenticeship programs, approved by the United States Department of Labor and who engages in the installation, alteration, repair, service, or renovation of HVACR systems under the supervision of a Master HVACR contractor as part of that apprenticeship or other training program and who has studied and performed the majority of “HVACR” as defined in this section.

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

"Master heating, ventilating, air conditioning and refrigeration contractor" means any person, firm, partnership, corporation or other legal entity licensed according to the provisions of this act which obtains a pressure seal pursuant to sections 24 and 25 of this act and which advertises, undertakes or offers to undertake for another the planning, laying out, supervising, installing, servicing or repairing of HVACR systems, apparatus or equipment. In order to act as a "Master HVACR contractor," an individual shall be a bona fide representative of the legal entity licensed pursuant to the provisions of this act, and shall have studied and performed the majority of “HVACR” as defined in this section.

"HVACR journeyman" means any person who installs, alters, repairs, services or renovates HVACR systems in accordance with standards, rules and regulations established by the board, who works under the supervision of a Master HVACR contractor, and who has studied and performed the majority of “HVACR” as defined in this section.

“One percent ownership” means that a bona fide representative is entitled to one percent of any net profits from a business, owns one percent equity in a Master HVACR contractor, and is entitled to one percent of the net proceeds from the sale of a business in the event of the sale of the business. If the Master HVACR contractor is a corporation, the bona fide representative owns stock equaling one percent equity interest, and, if there is more than one class of stock, the stock owned by the bona fide representative is the highest level stock with full voting rights.

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

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

"Undertake or offer to undertake for another" means a contractor who is listed in a public bid as the proposed subcontractor by the contractor placing the bid for an HVACR contract.

2. Section 10 of P.L.2007, c.211 (C.45:16A-10) is amended to read as follows:

C.45:16A-10 Applicability of act relative to public utility, public utility holding company.

10. The provisions of P.L.2007, c.211 (C.45:16A-1 et seq.) 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 P.L.2007, c.211 (C.45:16A-1 et seq.) shall not apply to any related competitive business segment of a public utility holding company that offers to provide or provides 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 P.L.2007, c.211 (C.45:16A-1 et seq.) also shall not apply to HVACR work performed on buildings, structures or premises owned or operated by a public utility holding company or its subsidiaries.

3. This act shall take effect immediately.

Approved October 4, 2018.