

APA-1

TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control: 440
Department or Agency: Alabama Board of Heating, Air Conditioning and Refrigeration Contractors
Rule No.: 440-X-3-.04
Rule Title: Forms Of Licensing
Intended Action: Amend

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved? Yes

To what degree?: Increase in the cost of obtaining a bond by approximately 25%

Is the increase in cost more harmful to the public than the harm that might result from the absence of the proposed rule? NA

Are all facets of the rule-making process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer

Jeffrey M. Becraft
Jeffrey Becraft

Date

Tuesday, May 28, 2024

REC'D & FILED
MAY 28, 2024
LEGISLATIVE SVC AGENCY

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**ALABAMA BOARD OF
HEATING, AIR CONDITIONING AND REFRIGERATION CONTRACTORS**

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Board of Heating, Air Conditioning, and Refrigeration Contractors

RULE NO. & TITLE: 440-X-3-.04 Forms Of Licensing

INTENDED ACTION: Amend

SUBSTANCE OF PROPOSED ACTION:
To amend 440-X-3-.04(5) by increasing the bonding requirement to \$20,000.

TIME, PLACE AND MANNER OF PRESENTING VIEWS:
11:00 a.m., August 7, 2024, 100 N. Union Street, Suite 986, Montgomery, AL 36104.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
Friday, August 2, 2024

CONTACT PERSON AT AGENCY:
Jeffrey M. Becraft
Executive Director

Jeffrey M. Becraft

Jeffrey Becraft

(Signature of officer authorized
to promulgate and adopt
rules or his or her deputy)

440-X-3-.04**Forms Of Licensing.**

(1) Any individual with the desire to qualify as a certified heating and air conditioning contractor or refrigeration contractor via examination process shall be required to sit for a prelicensure examination prior to being considered for licensing by the Board. Any applicant who fails to pass their prelicensure examination the first time taken, shall be entitled to take the same written examination, upon request by the applicant, a practical examination which is equivalent to the written examination, again within six months from the date he or she failed the examination the first time. Certifications shall be issued only to those individuals or legal entities who have properly submitted the appropriate applications to the Board under Alabama law and the Board's rules and regulations, and who have taken and passed the Board's written examination or practical examination as provided in Alabama law.

(2) An individual who desires to obtain status as a certified heating and air conditioning contractor or refrigeration contractor via reciprocity may qualify if they hold a current and valid license in a qualifying reciprocal state with no previous or pending disciplinary action. Certifications shall be issued only to those individuals or legal entities who have properly submitted the appropriate applications to the Board under Alabama law and the Board's rules and regulations.

(3) Any individual applying for a heating and air conditioning license must personally satisfy all licensure requirements before issuance of the license as certified contractor by the Board.

(4) Any person or legal entity applying for a refrigeration license must satisfy all licensure requirements before issuance of a license as a certified refrigeration contractor by the Board.

(5) All new heating and air conditioning, or refrigeration contractor applicants must provide a performance bond in the amount of ~~Fifteen Thousand Dollars~~ ~~(\$15~~ Twenty Thousand Dollars (\$20,000.00) to the Board. Proof of bond may be required annually during the renewal process.

(6) Applying for certification by the Board to engage in the business of heating and air condition and/or refrigeration installation, service, or repair as a partnership, corporation, business trust, or other legal entity must be done so through a person in responsible charge as defined by Alabama law and the Rules and Regulations of the Board. The application to the Board shall provide the name of the partnership and its partners; the name of the corporation and its officers and directors; the name of the business trust and its trustees; or the name of any other legal entity and its members. The application to the Board shall establish that the person in responsible charge under Alabama law and these Rules and Regulations is legally qualified to act

for the business organization in all matters connected with its heating, air conditioning, and/ or refrigeration installation, service, or repair business. The heating and air conditioning, and/or refrigeration certification by the Board issued upon such application described in this Rule shall be issued in the name of the person in responsible charge and shall include the name of the business organization engaged in the heating, air conditioning, and/or refrigeration installation, service, or repair business.

Author: Jeffrey M. Becraft

Statutory Authority: Code of Ala. 1975, §§34-31-18.

History: Filed July 12, 1988. **Amended:** Filed June 9, 1999; effective July 14, 1999. **Repealed and New Rule:** Filed April 9, 2003; effective May 14, 2003. **Amended:** Filed August 14, 2009; effective September 18, 2009. **Amended:** Published December 31, 2019; effective February 14, 2020. **Repealed and New Rule:** Published November 30, 2022; effective January 14, 2023.

Amended: Published _____ ; effective _____ .

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No: 440

Department or Agency: Alabama Board of Heating, Air Conditioning and Refrigeration Contractors

Rule No: 440-X-3-.04

Rule Title: Forms Of Licensing

Intended Action: Amend

 This rule has no economic impact.

 Yes This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

Due to increase in cost of HVAC equipment, the bond should be increased from \$15,000 to \$20,000.

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

Bonding is less expensive than liability insurance requirements.

3. EFFECT OF THIS RULE ON COMPETITION:

None

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

None

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

None

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6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

N/A

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON EFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

The cost of obtaining a performance bond will increase.

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

None

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

None

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

None

Signature of certifying officer

Jeffrey M. Becraft

Jeffrey Becraft

Date

Tuesday, May 28, 2024