

July 27, 2017

TO: NJ HVACR Contractors
FROM: Eric DeGesero, Executive Director
RE: NJ HVACR Update - July 27, 2017

Apprenticeship

Most of us think of an apprentice as a young employee learning a trade, which of course is correct. However, as a condition of sitting for the licensing exam to obtain a NJ HVACR contractor license there is more involved. An apprentice must be registered with the United States Department of Labor (USDOL) in an apprenticeship program.

There are two components to a USDOL apprenticeship for the employee - a minimum of 576 hours of "related technical instruction - RTI" (classroom instruction) and a minimum of 8,000 hours of "on the job learning." over four years. There are requirements for the employer as well. Foremost among them is enrollment. You as the sponsoring employer must enroll the employee with the USDOL. There is nothing worse than an apprentice going through the process only to find out that they weren't enrolled and do not have the completion certificate. Without that they will be ineligible to sit for the licensing exam (they must also serve one year as a journeyman upon completion of apprenticeship as a condition to sit for the exam). Additionally, the employer must provide wage progression during the course of the apprenticeship. For private work the wage is determined by you, for public work the wage is the prevailing wage for apprentices in the county the work is being performed in as published by the New Jersey Department of Labor and Workforce Development.

In New Jersey RTI is offered at many of the county vocational academies or county colleges. There is an apprenticeship coordinator in each county that ensures the curriculum meets the appropriate standards for the trade being learned. Please note this is simply a brief overview of the most salient aspects of a USDOL apprenticeship and is not meant to be an exhaustive explanation of the process. If you are interested in enrolling an apprentice click [here](#) and scroll down to County Apprenticeship Coordinator and click on the county where your business is located. It will populate an email directed to the USDOL employee who

handles apprenticeship registration for your county as well as the county apprenticeship coordinator for your county. Remember, the employee IS NOT a registered apprentice until there is a fully executed and approved Apprenticeship Agreement with the USDOL.

Wall Certificates

All licensed NJ HVACR contractors will receive wall certificates from the Board of Examiners in the coming months. Certificates are being printed in batches of 1,000.

Business Insurance

GSHCCA is pleased to recommend Federated Insurance as our preferred insurance provider. Federated Insurance is an A.M. Best A+ rated insurer (less than 10% of P&C insurers are rated A+ or higher) with \$6 billion in assets. Federated specializes in marketing insurance to contractors and provides GSHCCA members with commercial general liability, auto, property, and workers compensation coverage. Federated provides risk mitigation strategies so you don't have a loss in the first place and also provides a unique service called the Federated Employer Practices Network which assists employers with employment law/human relations related matters including answers to state specific questions. To see what Federated can do for you click here for your local marketing representative.

Insulation within Scope of Practice of HVACR

Recently GSHCCA was asked by a licensed NJ HVACR contractor who participates in the Home Performance with Energy Star (HPwES) program, administered by the New Jersey Board of Public Utilities' Clean Energy Program, if insulating the whole house was within the scope of practice of the NJ HVACR license and therefore there was no need for the licensed NJ HVACR Contractor to have a Home Improvement Contractor registration.

The Board determined that such work was within the scope of practice of your license.

Backflow Preventer

Currently licensed NJ HVACR contractors can install a backflow preventer, in replacement cases only and downstream from an existing valve that is closed, at 1

and 2 family homes and certain group homes. The limitation to 1 and 2 family homes and certain group homes was made by the Board of Examiners, not the Legislature. GSHCCA has long opposed this limitation.

In the August 7, 2017 New Jersey Register a change will be proposed to expand the ability of the licensed NJ HVACR contractor to install a non-testable backflow preventer in replacement cases only downstream from an existing valve that is closed beyond the current limitation. After a regulation is proposed, the public has opportunity to comment on the proposal. The Board must review and respond to all comments and possibly even make changes, after which the rule will be adopted and finalized. This will culminate nearly a quarter century of effort on this issue.

Uniform Construction Code/NJ HVACR License

Only a licensed NJ HVACR contractor can install a heating or air conditioning system (NJ licensed master plumbers can install a boiler). Anyone else who does so is performing unlicensed work and subject to a civil or criminal penalty (see story below). However, the Uniform Construction Code (UCC) has not yet been updated to reflect the advent of the NJ HVACR contractor license so someone with a Home Improvement Contractor registration can still take out a permit, even though they cannot perform the work.

In February the NJ Department of Community Affairs proposed a change to the UCC which recognizes the NJ HVACR license. Once that regulation is adopted only licensed NJ HVACR contractors can take out a permit to install HVACR equipment (or NJ licensed master plumbers for a boiler).

Uniform Construction Code/Mechanical Permit

Pursuant to N.J.A.C. 5:23-3.4(d) mechanical equipment (HVAC, gas piping, stand by generators) in one and two family homes, including certain townhomes, and group homes serving no more than 16 only requires a mechanical and electrical permit, no other permits are required.

The Department of Community Affairs has published an article in the Spring 2017 Construction Code Communicator (newsletter for code officials) stating that many municipalities are not accepting Mechanical Technical forms or having the mechanical inspector perform the inspection (if the municipality doesn't have a

mechanical inspector the plumbing inspector would perform). This is a direct violation of the Uniform Construction Code. If you are having an issue don't hesitate to contact us for assistance.

New Jersey Clean Energy Program

The New Jersey Institute of Technology will be hosting the Clean Energy Learning Conference on September 12, 2017. The full-day conference will be held on NJIT's campus in Newark. The conference is fully supported by the New Jersey Board of Public Utilities. The conference is specifically designed for contractors and partners participating in New Jersey's Clean Energy Program. To learn more and register click [here](#).

The New Jersey Clean Energy Program is offering free training courses on Manual J & S, Airflow and System Charging, and Measuring System Performance. To learn more and register click [here](#).

Permits for Senior Citizens

Assembly Bill 1891 sponsored by Assemblymen John Wisniewski (D-Middlesex) and Wayne DeAngelo (D-Mercer) allows municipalities to enact ordinances which would exempt senior citizens eligible for the "senior property tax freeze" from all municipal building permit fees related to the repair or maintaining of their primary residence. Current law allows an exemption only for improvements that are related to making the dwelling accessible for those with a physical handicap. The exemption would not apply to an addition or new construction and the lost revenue would be borne by all other permit applicants.

The bill passed the Assembly Health and Senior Services Committee and is pending before the Assembly Appropriations Committee.

Unlicensed Work - Crime of the 4th Degree

Governor Christie has signed Assembly Bill 4317, sponsored by Assembly Speaker Vincent Prieto (D-Hudson) into law, which makes it a crime of the 4th degree to engage in HVACR or plumbing contracting or advertise for HVACR or plumbing contracting work without being licensed. The usual punishment for such a crime is a prison sentence of up to 18 months or a fine of up to \$10,000 or both. Keep in mind that this bill will also apply to you. If you are licensed only as a NJ HVACR contractor you cannot install a water heater or tankless coil. Conversely, if

someone is only licensed as a NJ Master Plumber they cannot install a furnace or air conditioner.

Pool Contractors License

Assembly Bill 224 sponsored by Assemblyman Wayne DeAngelo (D-Mercer) and Senate Bill 1922 sponsored by Senator Jim Beach (D-Camden) would license pool and spa contractors and is pending in the Legislature. As originally introduced the bill would have precluded licensed NJ HVACR contractors from installing pool heaters and heat pumps. At the time GSHCCA - then under the auspices of the Fuel Merchants Association of New Jersey - worked to see that the bill was amended so licensed NJ HVACR contractors could perform the work you are licensed to. The statement of the bill says it is not the intent of the sponsor to allow pool and spa contractors to engage in any of the work of HVACR, plumbing, or electrical contractors. However, the text of the bill does not read that way. Our friends at ACCA have had discussion with the sponsor regarding amending the bill's language to reflect the statement. The bill has passed the General Assembly and Senate Commerce Committee and is pending before the Senate Budget and Appropriations Committee.

Smart Thermostats

Senate Bills 3065 and 3066 have both been passed by the New Jersey Senate and are awaiting action in the New Jersey General Assembly. Senate Bill 3065 sponsored by Senators Bob Smith (D-Middlesex) and Kip Bateman (R-Somerset) allows taxpayers a tax credit of 50% of the cost to purchase and install a smart thermostat, up to \$250. Senate Bill 3066 sponsored by Senators Paul Sarlo (D-Bergen) and Kip Bateman (R-Somerset) mandates the installation of smart thermostats in all new construction.

Prompt Payment of Construction Contracts

Senate Bill 3367 has been introduced by Senator Kip Bateman (R-Somerset) which amends existing law requiring the prompt payment of construction contracts. Current law requires construction contracts to be paid within 30 days after the billing date, unless the owner disputes a charge within 20 days. Government contracts can wait until the next scheduled meeting of the governing body to be paid.

Senate Bill 3367 would establish that all payments from owner to general contractor, G.C. to subs, subs to subs, and all payments to suppliers constitute a trust fund for purpose of paying others working on the job and the construction contract cannot alter the trust fund requirement.

Additionally, the bill holds corporate officers of any entity that violates the provisions of the bill personally liable for the violation, even if the officer derived no personal benefit. The bill has been referred to the Senate Commerce Committee.

Bill Limits Ability to Fire Employees

Senate Bill 3407 has been introduced by Senator Bob Gordon (D-Bergen). The legislation prohibits an employer with 30 or more employees from terminating an employee without "good cause" and provides four "good causes." The employer must provide an employee instructions on how to be a good employee and a written warning to follow those instructions in order to have "good cause." Furthermore, the bill requires employers give two weeks' notice before termination. An employee who is found to have been terminated without good cause is entitled to one month's pay for each year of employment, up to 30 month's pay.

NJ Attorney General Anti-Corruption Initiative

New Jersey Attorney General Chris Porrino has announced a program that pays a reward up to \$25,000 for tips from the public leading to a conviction for a crime involving public corruption. This would include being solicited for a bribe by a public official, including a construction code official. [Click here for details.](#)

Your Feedback

As always we welcome your feedback. [Click here](#) to offer your input on any of the matters herein, or anything else. If you wish to unsubscribe click on the link below. GSHCCA will be offering reduced cost CEUs for members beginning in the fall and is working on other member only benefits. All GSHCCA members are eligible for participation in our health benefits plan.