

Report on the

Board of Heating, Air Conditioning And Refrigeration Contractors

Montgomery, Alabama



Department of Examiners of Public Accounts

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Rachel Laurie Riddle, Chief Examiner



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November 6, 2019

Senator Clyde Chambliss
Chairman, Sunset Committee
Alabama State House
Montgomery, AL 36130

Dear Senator Chambliss,

This report was prepared to provide information for use by the Sunset Committee in conducting its review and evaluation of the operations of the Board of Heating, Air Conditioning and Refrigeration Contractors in accordance with the *Code of Alabama 1975*, Section 41-20-9.

The report contains unaudited information obtained from the management, staff, and records of the Alabama Board of Heating, Air Conditioning and Refrigeration Contractors, in addition to information obtained from other sources.

Please contact me if you have any questions concerning this report.

Sincerely,

Rachel Laurie Riddle
Chief Examiner

Examiner

E. Christine Kilpatrick

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PROFILE

Purpose/Authority

The Board of Heating, Air Conditioning, Roofing and Sheet Metal Contractors was established by Act No. 849, Acts of Alabama 1978 to supervise the profession and practice in addition to examining and licensing heating and air conditioning contractors. Act No. 547, Acts of Alabama 1982 changed the name of the Board to the Board of Heating and Air Conditioning Contractors. Act No. 486, Acts of Alabama 2009 renamed the Board, the Board of Heating, Air Conditioning and Refrigeration Contractors adding the regulation of the installation, service and repair of refrigeration systems to the Board's duties. The Board operates under the authority of the *Code of Alabama 1975*, Sections 34-31-18 through 34-31-35.

<u>Characteristics</u>	
Members and Selection	<p>Twelve members</p> <ul style="list-style-type: none"> • Four appointed by the Governor • Three appointed by the Lieutenant Governor • Four appointed by the Speaker of the House • One appointed by the President Pro Tempore <p>Members are subject to confirmation by the Senate</p> <p><i>Code of Alabama 1975</i>, Section 34-31-20(b)</p>
Term	<p>Four year staggered terms</p> <p>Members cannot serve more than two consecutive four year terms</p> <p><i>Code of Alabama 1975</i>, Section 34-31-20(b)</p>
Qualifications	<p>Members shall be citizens of the State.</p> <p>Governor Appointees:</p> <ul style="list-style-type: none"> • One licensed professional engineer • One heating/air conditioner contractor • One consumer • One heating, air conditioner, or refrigeration contractor <p>Lieutenant Governor appointees:</p> <ul style="list-style-type: none"> • One trade representative of equipment manufacturer or supplier • One representative from county or local inspection service • One heating, air conditioner, or refrigeration contractor

	<p>Speaker of the House appointees:</p> <ul style="list-style-type: none"> • One trade representative of service, repair parts industry • One consumer • Two heating and air conditioning contractors <p>President Pro Tempore appointee:</p> <ul style="list-style-type: none"> • One heating, air conditioning, or refrigeration contractor <p><i>Code of Alabama 1975</i>, Section 34-31-20(b)</p>
Consumer Representation	<p>Two consumers required by statute. Two consumer members serving</p> <p><i>Code of Alabama 1975</i>, Section 34-31-20(b)</p>
Racial Representation	<p>No specific statutory requirement. Two minorities serving</p>
Geographical Representation	<p>No specific statutory requirement</p>
Other Representation	<p>The membership of the board shall be inclusive and reflect the racial, gender, geographic, urban/rural, and economic diversity of the State.</p> <p><i>Code of Alabama 1975</i>, Section 34-31-20(b)</p>
Compensation	<p>\$100 per day for attending sessions of the Board or its committees in addition to travel expenses as paid to State employees.</p> <p><i>Code of Alabama 1975</i>, Section 34-31-22</p>
Attended Board Member Training	<p>None.</p>

<u>Operations</u>	
Administrator	<p>Jeffrey M. Becraft, Executive Director, unclassified merit system employee appointed by the Board with the approval of the State Personnel Board. Annual salary of \$69,396.00</p> <p><i>Code of Alabama 1975</i>, Section 34-31-21(a)</p>

Location	100 North Union Street, Ste. 986 Montgomery, AL 36130 Office hours: Monday – Friday 8 am – 5 pm			
Employees	12 employees			
Legal Counsel	Ellen Leonard, Assistant Attorney General, Attorney General’s Office.			
Subpoena Power	None except as provided by the Administrative Procedure Act <i>Code of Alabama 1975</i> , Section 41-22-12 for hearings and contested cases.			
Internet Presence	http://hacr.alabama.gov/Default.aspx <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> Applicants Tab <ul style="list-style-type: none"> • How to get licensed • Forms • Continuing Education Licensees <ul style="list-style-type: none"> • Online Renewals • Verify CE Hours • Listing of Approved CE Providers Consumer Tab <ul style="list-style-type: none"> • Consumer Compliant Forms • Licensee Search • Tips When Hiring a Contractor </td> <td style="width: 50%; vertical-align: top;"> Quick Links Tab <ul style="list-style-type: none"> • Online Services • Forms • Board Meeting Dates Information Tab <ul style="list-style-type: none"> • Contact Us • Map Directions • Related Links • Law • Rules and Regulations Latest News Tab <ul style="list-style-type: none"> • Newsletter • Alabama Energy Codes • Public Hearing • Det Form • Alabama Power Training Schedule </td> </tr> </table>		Applicants Tab <ul style="list-style-type: none"> • How to get licensed • Forms • Continuing Education Licensees <ul style="list-style-type: none"> • Online Renewals • Verify CE Hours • Listing of Approved CE Providers Consumer Tab <ul style="list-style-type: none"> • Consumer Compliant Forms • Licensee Search • Tips When Hiring a Contractor 	Quick Links Tab <ul style="list-style-type: none"> • Online Services • Forms • Board Meeting Dates Information Tab <ul style="list-style-type: none"> • Contact Us • Map Directions • Related Links • Law • Rules and Regulations Latest News Tab <ul style="list-style-type: none"> • Newsletter • Alabama Energy Codes • Public Hearing • Det Form • Alabama Power Training Schedule
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<u>Financial</u>				
Source of Funds	Licensing fees, exam fees, fines and penalties.			
State Treasury	Yes, Special Revenue Fund 411 <i>Code of Alabama 1975</i> , Section 34-31-20(c)			
Required Distributions	No statutory requirement.			

Unused Funds	<p>All money remaining at the end of the fiscal year which exceeds 25 percent of the board's budget for the previous year shall be transferred to the Alabama Home Builders Foundation to be used exclusively for classroom training tools at educational facilities that provide heating, air conditioning and/or refrigeration curriculums.</p> <p><i>Code of Alabama 1975</i>, Section 34-31-20(c)</p>																				
<u>Licensee Information</u>																					
Licensees	<p>As of September 30, 2018 - 6,242 licensees</p> <table border="1" data-bbox="662 667 1466 934"> <thead> <tr> <th>Type</th> <th>Active</th> <th>Inactive</th> <th>Apprentice</th> </tr> </thead> <tbody> <tr> <td>Heating/ Air Conditioner Contractors</td> <td>3,474</td> <td>675</td> <td>52</td> </tr> <tr> <td>Refrigeration Contractors</td> <td>1,245</td> <td>556</td> <td>11</td> </tr> <tr> <td>Duct Air Tightness Testing Contractors</td> <td>229</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Total</td> <td>4,948</td> <td>1,231</td> <td>63</td> </tr> </tbody> </table> <p><i>Source:</i> Board Staff</p>	Type	Active	Inactive	Apprentice	Heating/ Air Conditioner Contractors	3,474	675	52	Refrigeration Contractors	1,245	556	11	Duct Air Tightness Testing Contractors	229	N/A	N/A	Total	4,948	1,231	63
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Duct Air Tightness Testing Contractors	229	N/A	N/A																		
Total	4,948	1,231	63																		
Qualifications	<p>Duct Air Tightness Testing Contractors</p> <ul style="list-style-type: none"> Complete the Residential Energy Services Network Home Energy Rating Systems Rater training, the Building Performance Institute Building Analyst training, or the Home Builders Association of Alabama Qualified Credential Air Tightness Verifier training <p>Heating/Air Conditioner/ Refrigeration Contractors</p> <ul style="list-style-type: none"> Pass written examination Performance Bond of \$15,000 Apprentice registrant, or 3,000 hours of course work/experience, or a graduate of an approved HACR curriculum <p>Apprentices</p> <ul style="list-style-type: none"> Affidavit of working under supervision of an active certified contractor Submission of Employer's Verification of Work History <p><i>Code of Alabama 1975</i>, Sections 34-31-24(b), 34-31-27, 34-31-28(b), (d), 34-31-30</p>																				

Examinations

Computerized exams are provided and scored by Prov, Inc. Exam fees are paid directly to the Board. The exams are administered at the following locations:

- Alabama State University
- Auburn University
- Auburn University at Montgomery
- Enterprise State Community College
- Jefferson State Community College –Jefferson & Shelby Hoover Campus
- North Alabama Electrical JATC
- Shelton State Community College
- University of Alabama - Huntsville & Tuscaloosa
- University of South Alabama

Heating and Air Conditioning Written Examination Pass/Fail Rates			
Fiscal Year	# Taken	# Passed	% Passed
2015	249	157	63%
2016	257	158	61%
2017	248	128	52%
2018	191	99	52%

Refrigeration Written Examination Pass/Fail Rates			
Fiscal Year	# Taken	# Passed	% Passed
2015	21	18	86%
2016	34	31	91%
2017	38	36	95%
2018	23	22	96%

Pass/Fail rates for graduates of Alabama public institutions of higher learning are presented in the Appendix.

Code of Alabama 1975, Section 34-31-28

A practical exam is offered to contractors who failed the written exam at least one time. The exam is held six months from the date of the applicant’s first or latest unsuccessful examination. The exam is administered at Gadsden State Community College and is proctored and scored by one of the instructors.

No practical exams were given during the period under review.

Source: Board staff

Reciprocity	<p>The Board may enter into reciprocal agreements with other states to permit Alabama certified contractors to engage in work in other states in exchange for that state's contractors permitting to perform work in Alabama. This provision recognizes the status of the certified contractor as passing the examination; however, payment of all certification fees is required.</p> <p>The Board currently has reciprocal agreements with Louisiana, Mississippi, Tennessee and Arkansas.</p> <p><i>Code of Alabama 1975</i>, Section 34-31-29(d)</p> <p><i>Source:</i> Board staff</p>
Renewals	<p>Annually by December 31st</p> <p>Online renewal is available. Percentage of online renewals for the 2018 renewal period:</p> <p style="padding-left: 40px;">83.73% of Heating & Air Conditioning Contractors 76.74% of Refrigeration Contractors</p> <p><i>Code of Alabama 1975</i>, Section 34-31-26</p> <p><i>Source:</i> Board staff</p>
Licensee Demographics	<p>Data not collected</p> <p><i>Source:</i> Board staff</p>
Continuing Education	<p>Four hours annually</p> <p><i>Code of Alabama 1975</i>, Section 34-31-26(d) <i>Administrative Rule</i> 440-X-4-.02</p>

SIGNIFICANT ISSUES

Significant Issue 2019-01 – The Board’s operating disbursements have exceeded operating revenues for the past four fiscal years. In 2015 disbursements exceeded receipts by \$19,246.64. The deficiency increased each year and in 2018 the amount of the deficiency was \$66,578.21. The Board’s cash balance at the end of the fiscal year is also declining. The cash balance at the end of fiscal year 2014 was \$378,117.87, and the cash balance at the end of fiscal year 2018 was \$258,831.22, a decrease of \$119,286.65.

According to the Board's staff, expenditures have increased due to the office relocating twice in four years, payroll costs for accumulated leave in the amount of \$80,418.59, and purchasing four new vehicles totaling \$139,018.02. To combat the decline in the agency's cash balance, the Board increased the initial license and renewal fees for active licenses from \$165 to \$190, and increased the fees for an inactive license from \$82.50 to \$95. The fees were effective January 1, 2019. The Board is also reviewing ways to manage their expenditures more effectively.

Board's Response – As indicated in your analysis of this situation, the Board has taken steps to offset the difference between anticipated revenues and expenditures.

- The fee increases for Heating, Air & Refrigeration Contractors is anticipated to bring in an additional \$93,000 over FY 2019 to date revenue projections.
- The Board has decreased payroll by approximate \$40,000 over and above the payout for annual and sick leave for the previous Executive Director upon retirement from FY 2018 to FY 2019.
- The Board in September 2018 moved back into the Capital Campus Complex which has eliminated expenditures that is now provided by OIT.
- The Board by RFP process entered into an agreement with IGOV for a licensing system which replaces earlier systems which were not meeting the needs of this Board. For the past four years we have been obligated to pay out more than \$200,000 for a licensing system which could not provide the information essential to our operational needs for licensing contractors. This extended obligation was due to verbiage in the contract and the reluctance of the previous Executive Director to take the necessary actions to break the contract. The new licensing database will also offset printing and mailing expenditures due to the expanded method of renewing and the projected decrease should be greater than \$10,000. Provisions have also been taken to insure the compliance of the vendor to this Board.
- The Board also plans to rotate the purchase of a new vehicle on an annual basis in order to eliminate incurring expenses over and above anticipated projected revenues. This rotation should provide safe and reliable vehicles to our employees as well as generate a better return for resale which will be incorporated into the purchase of a new vehicle.

Significant Issue 2019-02 – All certificates issued by the Board must be renewed annually, not later than December 31 of each year. The Board adopted an administrative rule to charge licensees a late fee of \$100 if renewals are received after December 31 and prior to March 1; a penalty fee of \$250 for renewals received on or after March 1 and prior to March 31; and a delinquent penalty of \$500 for renewals received on or after April 1. The Board's statute only allows the Board to charge licensees the \$250 penalty fee. However, the \$100 late fee, and the \$500 delinquent penalty for renewals received on or after April 1 are not authorized.

The *Code of Alabama 1975*, Section 34-31-32(b) states, "The board may, at its discretion, impose late penalties on those certified contractors who fail to renew certificates by December 31 of each year. The board may also remove certification from

any certified person who fails to renew his or her certificate by the first day of March and require the person to apply for a new certificate. ”

The noun “*penalties*” in a plural tense does not mean that the Board may charge more than one penalty. Instead, the word “penalties” is plural because the sentence is discussing multiple contractors and certificates. Only one penalty may be imposed.

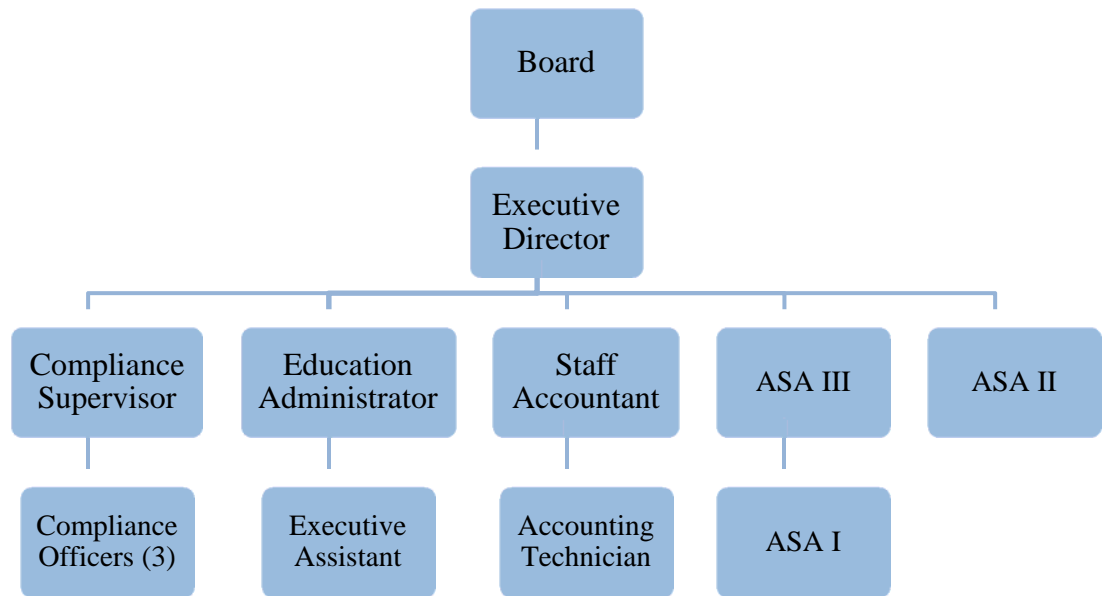
Board’s Response – The Board filed an emergency rule changing the late fee to a set one-time late fee annually at the rate of \$250.00. Late fees no longer elevate throughout the year. The Board also simultaneously for the rule to become permanent beginning January 1, 2020.

Significant Issue 2019-03 – For the past two years, the Board has experienced a decline in the number of heating, air conditioning and refrigeration contractors. The Board had 6,476 licensees in 2016 and 5,968 licensees in 2018, a decrease of 508. According to responses received from licensees, the industry is lacking qualified and/or trained individuals to conduct the work. The Board instituted an educational outreach program and appointed the former compliance officer as the education administrator to combat the decline in qualified contractors. The executive director and the education administrator in conjunction with the Home Builders Association of Alabama and Alabama Power visit high schools and two-year colleges to encourage students to consider enrolling in heating, air conditioning and refrigeration programs.

STATUS OF PRIOR FINDINGS/SIGNIFICANT ISSUES

All prior findings/significant issues were resolved.

ORGANIZATION



PERSONNEL

The Board employs twelve persons consisting of one unclassified employee, one exempt employee and ten classified merit system employees.

Schedule of Employees					
By Merit System Classification/Sex/Race					
	#	W/M	W/F	Salary or Salary Range	Vehicle Assigned
Executive Director	1	1		\$ 69,396.00	3*
Education Administrator	1	1		64,406.40	1
Compliance Supervisor	1	1		54,242.40	1
Compliance Officer	3	3		25,810.80 - 49,190.40	3
Executive Assistant	1	1		26,596.80	
Staff Accountant – retired	1		1	16,101.60	
Accounting Technician	1		1	31,646.40	
ASA III	1		1	32,433.60	
ASA II	1		1	26,596.80	
ASA I	1		1	21,840.00	
Total	12	7	5		8

W/M=white male, W/F=white female

*Two extra vehicles are assigned to the Executive Director for motor pool use.

Legal Counsel

Ellen Leonard, Assistant Attorney General, Office of the Attorney General provides legal counsel to the Board.

PERFORMANCE CHARACTERISTICS

Number of Licensees per Employee as of September 30, 2018 – 520

Number of Persons per Licensee in Alabama and Surrounding States

	Population (estimate)*	Number of Licensees	Persons Per Licensee
Alabama	4,888,949	6,242	783
Florida	21,312,211	13,249	1,609
Georgia	10,545,138	6,042	1,745
Mississippi	2,982,785	266**	11,213
Tennessee***	6,782,564	-	-
<i>*Source:</i> U.S. Census, July 1, 2018 Population Estimates <i>**</i> Does not license many at the state level, most are licensed locally <i>***</i> Licensee information not available			

Operating Disbursements per Licensee FY 2018 - \$196.23

Fines/Penalties as a Percentage of Operating Receipts

	FY 2018	FY 2017	FY 2016	FY 2015
Receipts less Fines	\$1,070,192.92	\$1,055,487.27	\$1,058,315.14	\$1,033,235.80
Fines	88,112.00	90,447.50	70,525.00	60,882.50
Percentage	8.23%	8.57%	6.66%	5.89%

Notification of Board decisions to Amend Administrative Rules

The Board complied with notification procedures prescribed in the Administrative Procedure Act, which includes publication of proposed rules in the Administrative Monthly, and public hearings on proposed rules. The Board publishes notification of public hearings regarding rule adoption and amendment on its website. Licensees are not specifically notified of proposed changes.

COMPLAINT HANDLING

The Board's Administrative Rule 440-X-6-.01 through 440-X-6-.12 provides procedures for receipt, documentation, investigation and hearing of complaints. Complaints typically concern unlicensed activity, poor workmanship, systems not

operating properly or as expected, or failure of the licensee to display license number as required by law.

Initial Contact/Documentation	Complaints can be written or verbal. A complaint form is available for download from the Board’s website. The complaint form must be signed. Anyone may initiate a complaint. The Board may require the complainant to appear in person or to submit a written and sworn statement of the facts of the complaint. The Board issues an acknowledgement letter to the complainant upon receipt of the complaint.
Anonymous Complaints Accepted	Yes. Anonymous complaints are accepted. However, if the anonymous complaint deals with how a unit was installed, the board cannot investigate. If the anonymous complaint is about advertising, numbers not on the company vehicle, etc., the anonymous complaint is documented as a Board Complaint. If the anonymous complaint concerns Freon leakage, the Board contacts the EPA.
Investigative Process / Probable Cause Determination	The staff investigators do the onsite investigation of the complaint then presents the report to the investigative committee for probable cause determination. The investigative committee is comprised of one Board member, the Board’s attorney and the executive director. The Board member on the investigative committee does not participate in the disciplinary proceedings. No Board member may serve more than two consecutive complete annual terms on the investigative committee.
Negotiated Settlements	Yes
Notification of Resolution to the Complainant	Complainants are given a list of violations if the contractor refused to repair the problems so the complainant may file a claim against the contractors bond. Normally, this satisfies the consumer. The complainant is not notified if the contractor agrees to a negotiated settlement or a hearing is held regarding the complaint.

Source: Board staff

Schedule of Complaints Resolved Fiscal Year 2015 through Fiscal Year 2018						
Year/Number Received	Year/Number Resolved					Pending
	2015	2016	2017	2018 ⁽¹⁾	2019	
2015 / #128	84	30	3	0	0	11
2016 / #200		110	66	12	1	11
2017 / #187			100	81	1	5
2018 / #185				78	19	88
⁽¹⁾ As of 10/18/2018						
<i>Source:</i> Board staff						

Complaints are considered resolved when a final order or settlement agreement is in hand.

Average Time to Resolve Complaints - 117 business days.

According to Board staff, complaint resolution time greater than one year is due to hearings or the inability to contact the contractor.

Disposition of Resolved Complaints

# of Complaints	Resolution
18	Advertiser error
1	Bond claimed
2	Completed class
5	Data entry error – duplicate entry; typo
2	Held in abeyance
8	No probable cause
24	No response from complaint
1	No jurisdiction
6	Private reprimand
68	Resolved by the contractor
409	Settlement agreement
5	Unlicensed
5	Wrong company
31	Unknown*
585	Total Resolutions
* We could not determine the resolution because the information was not recorded in the Board's complaint database, and the Board was unable to provide any additional information regarding the complaints.	

REGULATION IN CONJUNCTION WITH OTHER ENTITIES

Statutes require any heating, air conditioning or refrigeration contractor performing a job valued at more than \$50,000 must also be licensed by the Licensing Board for General Contractors (*Code of Alabama 1975*, Section 34-8-1(a)).

Persons licensed by the Alabama Liquefied Petroleum Gas Board are exempt from HACR statutes pertaining to heating, air conditioning and refrigeration when engaged in the installation, repair, or replacement of a liquefied petroleum gas appliance so long as the appliance is not connected to a refrigeration system. An exception to this is when such persons may also engage in the replacement or repair of a liquefied petroleum gas central heating unit when it is combined with an air conditioning unit or when engaged in the installation of a venting system required for a vented-type liquefied petroleum gas appliance.

The HACR statutes do not apply to any mobile home or manufactured structure that is installed, inspected, or regulated by the Alabama Manufacturing Housing Commission; however, the repair, servicing of a heating and air conditioning system, or the installation of a new heating and air conditioning system in a previously inspected manufactured structure is subject to the Board's statutes (*Code of Alabama 1975*, Section 34-31-28).

The *Code of Alabama 1975*, Sections 25-12-1 through 25-12-22 regulate broiler and pressure vessels (steam heat systems).

U.S. Environmental Protection Agency (EPA) – The EPA, under authority of the Clean Air Act, regulates the use of ozone-depleting refrigerates associated with air conditioning. The Clean Air Act does not permit any refrigerant's release into the atmosphere during installation, service or retirement of equipment.

FINANCIAL INFORMATION

Source of Funds – Licensing fees, exam fees, fines and penalties.

Fund - The Board's Special Revenue Fund 411 was established under the authority of the *Code of Alabama 1975*, Section 34-31-20(c). Unexpended balances of up to 25% of the Board's prior year budget is retained in the Board's fund at year-end.

The *Code of Alabama 1975*, Section 34-31-20(c) requires any funds exceeding the 25% of the Board's prior year budget is transferred to the Alabama Home Builders Foundation for classroom training tools at educational facilities that provide heating, air conditioning and/or refrigeration curriculums.

Schedule of Fees

The Board's fees are set in *Administrative Rule* 440-X-3-.10.

FEE TYPE/PURPOSE	STATUTORY AUTHORITY	AMOUNT AUTHORIZED	AMOUNT COLLECTED
Written Exam	34-31-29(c)	Board to determine	\$150.00
Practical Exam	34-31-29(c)	Board to determine	\$350.00
Heating/Air Conditioning Initial License Fee	34-31-25(a)(1)	Not to exceed \$250	
Heating/Air Conditioning Annual Renewal Fee	34-31-25(a)(1)	Not to exceed \$250	
Refrigeration Initial License Fee	34-31-25(a)(1)	Not to exceed \$250	\$165.00*
Refrigeration Annual Renewal Fee	34-31-25(a)(1)	Not to exceed \$250	
Late Fee – Active License (Dec. 31-Mar. 1)***	None	None	\$100.00
Penalty Fee – Active License (Mar. 1-Mar. 31; in addition to late fee)	34-31-32(b)	Board to determine	\$250.00
Delinquent Penalty – Active License (After March 31; in addition to late & penalty fees)***	None	None	\$500.00
Annual Renewal – Inactive Heating/Air Conditioner Contractors	34-31-26(b)	Not to exceed ½ of active fee	\$82.50**
Annual Renewal – Inactive Refrigeration Contractors	34-31-26(b)	Not to exceed ½ of active fee	\$82.50**
Late Fee – Inactive (Dec. 31-Mar. 1)***	None	None	\$50.00
Penalty Fee – Inactive License (Mar. 1-Mar. 31; in addition to late fee)	34-31-32(b)	Board to determine	\$250.00
Delinquent Penalty – Active License (After March 31; in addition to late & penalty fees)***	None	None	\$500.00
Issuance of Replacement Certification Cards	34-31-25(a)(1)	Not to exceed \$250	\$25.00
Administrative Fee for CE Deficiency Plan	34-31-26(e)	Board to determine	\$25.00
Dishonored Check	8-8-15	Not to exceed \$30	\$30.00
CE Provider Application Fee	34-31-26(f)	Board to determine	\$75.00
CE Course Fee	34-31-26(f)	Board to determine	\$25.00
CE Instructor Fee	34-31-26(f)	Board to determine	\$25.00
Non-Traditional CE Application	34-31-26(f)	Board to determine	\$25.00

Apprentice Registration for Heating/Air Conditioning or Refrigeration	34-31-25(b)	Not to exceed \$50	\$25.00
Apprentice Late Fee (After Dec. 31)***	None	None	\$50.00
Duct Air Tightness Contractor Registration & Annual Renewal Fee	34-31-25(d)	Not to exceed \$100	\$50.00
Duct Air Tightness Contractor Late Fee	34-31-24(b)(1)	Board to determine	\$50.00

*Fee increases to \$190 effective January 1, 2019

**Fee increases to \$95 effective January 1, 2019

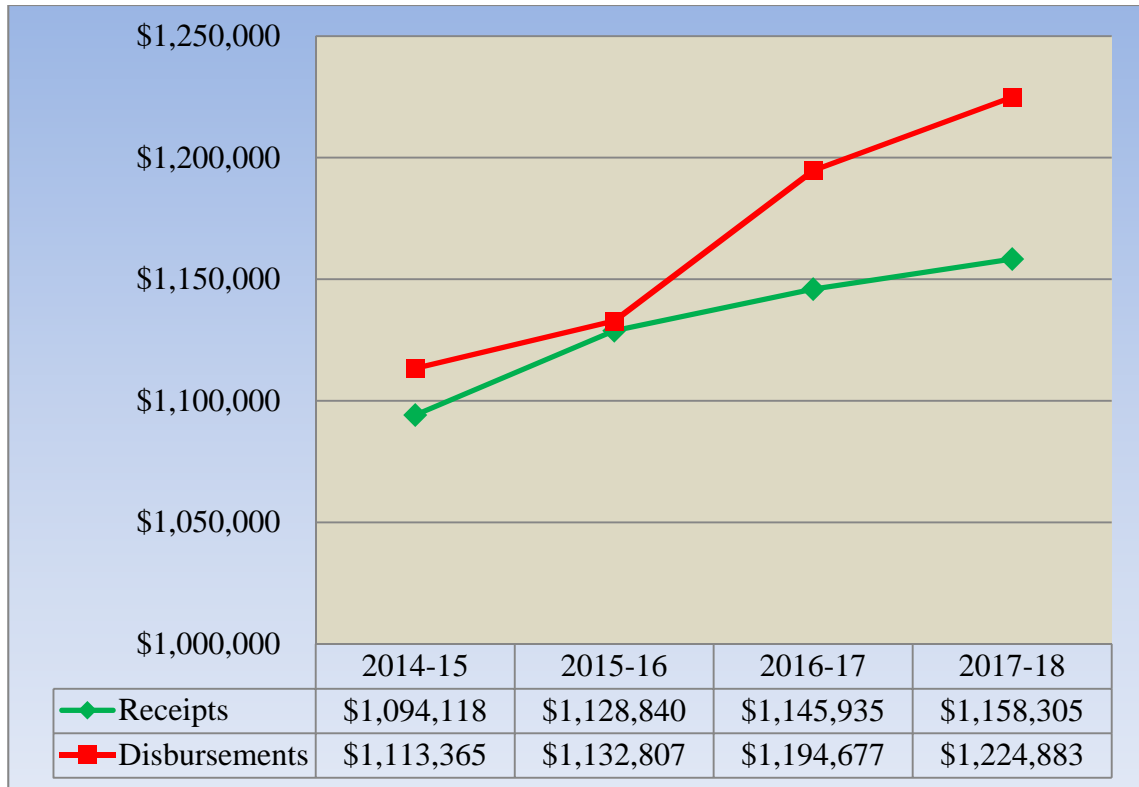
*** See Significant Issue 2019-02

Schedule of Receipts, Disbursements and Balances

October 1, 2014 through September 30, 2018

	2017-2018	2016-2017	2015-2016	2014-2015
<u>Receipts</u>				
Certification/Registrations	\$ 918,917.50	\$ 922,425.00	\$ 920,387.50	\$ 901,837.50
Prof or Occup Exam	57,900.00	52,800.00	55,600.00	50,350.00
Continuing Ed Provider	2,125.00	1,675.00	2,300.00	4,275.00
Settlement Agreements/Fines	88,112.00	90,447.50	70,525.00	60,882.50
Late Fees	89,300.00	74,400.00	78,250.00	75,100.00
Bad Check Penalties	-	120.00	60.00	90.00
Salvage Equipment	50.42	2,042.27	142.64	83.30
HACR Apprentice	1,900.00	2,025.00	1,575.00	1,500.00
Total	1,158,304.92	1,145,934.77	1,128,840.14	1,094,118.30
<u>Disbursements</u>				
Personnel Costs	543,334.90	558,744.18	530,677.40	456,755.57
Employee Benefits	200,438.99	211,109.49	204,146.07	162,864.93
In-State Travel	21,260.18	22,234.23	18,328.15	28,813.74
Out-of-State Travel	11,896.87	12,383.78	11,247.73	18,249.56
Repairs and Maintenance	5,913.66	2,137.67	2,037.36	5,124.91
Rentals and Leases	67,932.67	76,519.00	72,010.00	70,270.58
Utilities and Communications	53,669.57	55,279.27	59,509.34	62,774.62
Professional Services	131,717.07	147,439.05	145,701.89	133,158.24
Supplies, Materials, and Operating Expenses	98,398.25	84,232.49	63,854.36	54,158.17
Transportation Equipment Operation	29,213.31	19,115.64	15,585.26	22,953.22
Transportation Equipment Purchases	34,058.00	-	-	75,499.22
Other Equipment Purchases	27,049.66	5,481.86	9,709.13	22,742.18
Total	1,224,883.13	1,194,676.66	1,132,806.69	1,113,364.94
Excess (Deficiency) of Receipts over Disbursements	(66,578.21)	(48,741.89)	(3,966.55)	(19,246.64)
Cash Balance at Beginning of Year	325,409.43	374,151.32	378,117.87	397,364.51
Cash Balance at End of Year	258,831.22	325,409.43	374,151.32	378,117.87
Reserved for Year End Obligations	(78,918.26)	(90,515.22)	(93,328.22)	(97,096.38)
Unreserved Cash Balance at End of Year	\$ 179,912.96	\$ 234,894.21	\$ 280,823.10	\$ 281,021.49

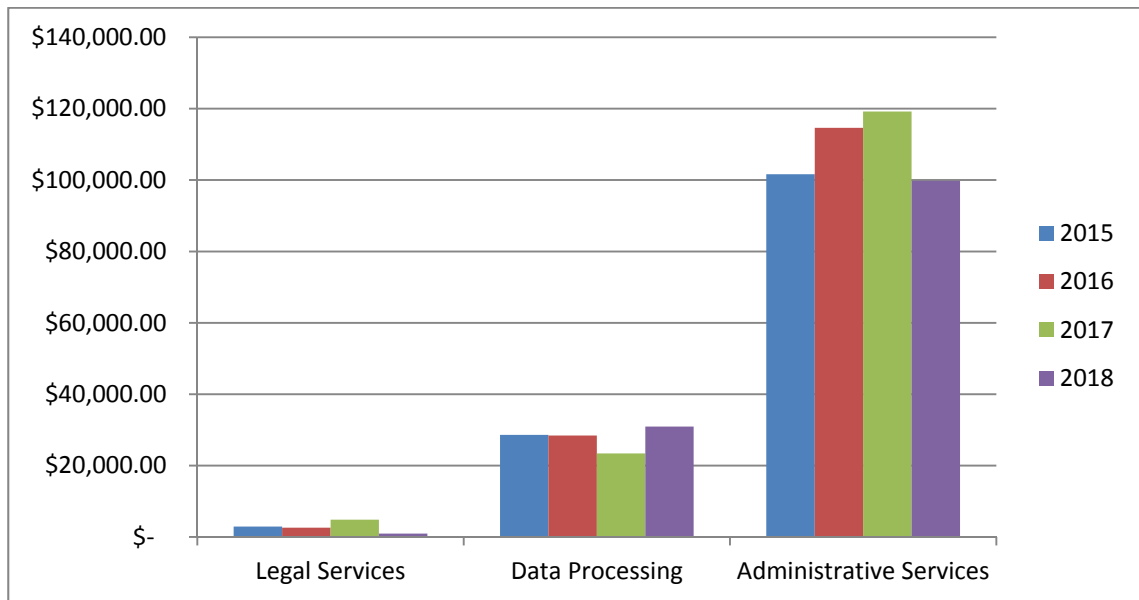
Operating Receipts vs. Operating Disbursements (Chart)



SUMMARY SCHEDULE OF PROFESSIONAL SERVICE DISBURSEMENTS*				
As of September 30 th				
Type of Service	FY 2015	FY 2016	FY 2017	FY 2018
Legal	\$ 2,921.05	\$ 2,615.80	\$ 4,840.50	\$ 975.00
Data Processing	28,619.66	28,438.89	23,396.44	30,958.35
Administrative	101,617.53	114,647.20	119,202.11	99,783.72
Total	\$ 133,158.24	\$ 145,701.89	\$ 147,439.05	\$ 131,717.07

*Detailed information presented in the appendix

Professional Service Disbursement Chart



QUESTIONNAIRES

Board Member Questionnaire

A letter was sent to all twelve members of the Board of Heating, Air Conditioning and Refrigeration Contractors requesting participation in our survey. Seven participated in the survey. The percentages, where shown, are based on the number who responded to the question.

1. What are the most significant issues currently facing the Board of Heating, Air Conditioning and Refrigeration Contractors and how is the Board addressing these issues?

Board Member #1 - “The continuing efforts to stop unlicensed contractors from working for the consumer.”

Board Member #2 - “We are focusing on educating students on the opportunities found in the skilled trade & taking care of the Alabama consumers. We have appointed a fulltime educator and put on an additional compliance officer.”

Board Member #3 - “n/a”

Board Member #4 - “Few Enforcement Personnel to cover the State”

Board Member #5 - “Diversity. The racial make-up of the staff should include all races of people right now that is not the case.”

Board Member #6 - “There is not enough investigators to adequately cover the state to protect the state from illegal operations. Thereby making it more advantageous for legal contractors to work and prosper.”

Board Member #7 - “none”

2. What changes, if any, to the Board’s law are needed?

Board Member #1 - “None, at this time”

Board Member #2 - “none that I know right now”

Board Member #3 - “none”

Board Member #4 - “All Trade Boards should basically have mirrored or similar regulations for fees, CEU requirements, etc.”

Board Member #5 - “none”

Board Member #6 - “none”

Board Member #7 - “none”

3. Is the Board adequately funded?

Yes	5	72%
No	1	14%
Unknown	1	14%

Board Member Questionnaire

4. Is the Board adequately staffed?

Yes	7	100%
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5. Does the Board receive regular reports on the operations of the board from the chief administrative officer?

Yes	7	100%
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6. Has the Board experienced any significant changes to its operations?

Yes	3	43%
No	3	43%
Unknown	1	14%

7. What, if any, changes does the Board plan to make to its operations?

Board Member #1 - "We had to move our office to a new location."

Board Member #2 - "none that I know of"

Board Member #3 - "unknown"

Board Member #4 - "None at this time."

Board Member #5 - "I'm not sure if the plan to make any changes."

Board Member #6 - "Increase license fees next year. They also moved to a different location."

Board Member #7 - "none"

Heating and Air Conditioning Licensee Questionnaire

Heating and Air Conditioning Licensee Questionnaire

A letter was sent to one hundred Heating and Air Conditioning licensees requesting their participation in our survey. Twenty-nine participated in the survey. The percentages, where shown, are based on the number who responded to the question.

- 1. Do you think regulation of your profession by the Board of Heating, Air Conditioning and Refrigeration Contractors is necessary to protect the public welfare?**

Yes	25	87%
No	3	10%
No Opinion	1	3%

Respondent #29 – “Some regulations would protect the public if they were policed better. I have seen bad work get by a lot of times. A lot.”

- 2. Do you think any of the Board’s requirements are an unnecessary restriction?**

Yes	10	35%
No	18	62%
Unknown	1	3%

Respondent #29 – “I think some regulations are.”

- 3. Do you think any of the Board’s requirements are irrelevant to the competent practice of your profession?**

Yes	8	27%
No	17	59%
Unknown	2	7%
No Opinion	2	7%

Respondent #29 – “Example: Your company name and state lic. No. It won’t make you a better contractor. The public could mostly care less. Just my opinion.”

- 4. Are you informed by the Board of changes to and interpretations of the Board’s positions, policies, rules, and laws?**

Yes	23	79%
No	4	14%
Unknown	2	7%

Heating and Air Conditioning Licensee Questionnaire

5. Did the Board perform your licensing and renewal in a timely manner?

Yes	28	97%
No	1	3%

6. Do you consider mandatory continuing education necessary for competent practice?

Yes	17	59%
No	12	41%

Respondent #29 – “4 hours a year is not going to make them more competent. More education will make them better contractors if they desire to be better contractors. More education is need for a lot of contractors.”

7. Did the Board approve sufficient providers of continuing education to ensure your reasonable access to necessary continuing education hours?

Yes	24	83%
No	3	10%
No Opinion	2	7%

8. Do you think the Board and its staff are satisfactorily performing their duties?

Yes	20	69%
No	6	21%
Unknown	3	10%

Respondent #29 – “I know of 2 or 3 times they did not. I made an honest mistake once in the phone book, state ID No., that cost me 250.00 No warning just a fine.”

9. Has any member of the Board or its staff asked for money (other than normal fees), services, or any other think of value in return for performing a board service for you?

No	29	100%
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10. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Board doing to address the issue(s)?

Respondent #1 - “My biggest issue with the new codes (not necessarily the Board) is that the focus is only on duct leakage. I have seen countless installations (most all new construction projects by less expensive HVAC contractors) where flexible pipe

Heating and Air Conditioning Licensee Questionnaire

is poorly installed. It's great that it doesn't leak but the diminished airflow is just as much of a detriment. In my opinion, flexible pipe should be banned. In addition, the new fresh air requirements do not take into account the humidity of the Southeast thus causing more harm than good. And using the exhaust only method for fresh air goes directly against what the intent of the codes. Thanks!"

Respondent #2 - "Unknown handymen working on ac units that are not licensed to do so. It's got bad!!!"

Respondent #3 - "Safely accessing Air handler in attics. Wider pulldown stairs and larger platforms needed and better lighting needed. It's sad it had to be code, common sense is not used anymore"

Respondent #4 - "Unlicensed people buying and installing equipment or doing service work. Often they are employed in the trade and are able to buy because they work for a contractor but do not sell or install through the person they work for, they do it on their own. It has been going on forever and I don't see anything being done about it."

Respondent #5 - "Lack of skilled employees. I don't see anything they are doing."

Respondent #6 - "Skilled help shortage. I don't know."

Respondent #7 - "Unlicensed work."

Respondent #8 - "On line sales need no licenses"

Respondent #9 - "Most significant issue now is unlicensed practice. The board is trying hard to enforce the illegal practice. But it's hard to."

Respondent #10 - "We clean air ducts. However, we are regulated by the board just like a HVAC contractor that repairs HVAC systems. There should be separation of the two or have different curriculums and CE credits."

Respondent #11 - "not enough notification of changes"

Respondent #12 - "Don't have any issues"

Respondent #13 - "NA"

Respondent #14 - "Board does not care for contractors or give a good way for contractors to represent themselves."

Respondent #15 - "Unlicensed people performing work. Catching them in a timely manner and keeping them [from] performing work they are not qualified for."

Respondent #16 - "Companies that take advantage of older people. Unnecessary work."

Respondent #17 - "SPEND MORE TIME CATCHING UNLICENSED CONTRACTORS & LESS TIME TRYING TO COLLECT FEES & FINES"

Respondent #18 - "Quality in the trade"

Respondent #19 - "Lack of people willing to do the job. It has been discussed at meetings. The fix is unknown."

Respondent #20 - "I have no comment for this."

Respondent #21 - "None."

Respondent #22 - "No comment."

Respondent #23 - "Don't know of anything at this time."

Respondent #24 - "That we have a board that's managed by people that are appointed employees of the government. They do what they want, when they want. The only thing that the "board" decides on are certain technical issues."

Heating and Air Conditioning Licensee Questionnaire

Administration is a purely governmental function, and its policies are a reflection of that. In essence, they live by the rule that you don't have to know how to do a job to manage it, so what's approved is not necessarily relevant. Probably the worst case of governmental administrative abuse in our industry was around 2008 when the board changed locations. Odd that the same year, they saw fit to split the A/C & refrigeration into two separate cards instead of allowing them to remain under the same umbrella. The previous year, the cost for a card was \$150.00. We were informed that the cost would increase 10% to \$165.00 for the current year. And oh - by the way - if you want to perform refrigeration work (and be legal), you'll have to purchase a separate certification for that. At full price of \$165.00. Did the "board" have any say-so over the increase? Maybe. But I can guarantee that this decision was pushed through by [REDACTED] and her administrative team. If the board had any say on the issue, it was window dressing only. I guess they needed money for new furniture from the move. Oh, and the checks for the two cards had to be sent in separately so the staff wouldn't have to subtract 165 from 330 to figure out if we had paid the right amount. Apparently, our staff is made up of the same folks that had to use an electronic cash register to be able to make change at their previous jobs, since they can't do basic math in their heads. I had to pay a late fee that year because we put it on one check and the staff held it until after the first of the year before informing us that it had to be separate payments. Can you say "ineptness", "corruption", and "incompetence"? New vehicles for all full time employees every how often? CEU classes that have to be paid for, that are spoken at by board members to update new regulations (use every chance you get to pay for that furniture and those cars)? Inspectors that don't have a clue what much of anything outside of residential air conditioning is, yet I have to pay them to regulate my business? And probably my favorite comment that was ever made to me by an administrative member of our "board" - "We don't exist to take care of the contractors, but to take care of the consumers by making sure that you do your job". If that's the case, then why don't the consumers pay for the "board" to exist? We won't even get into the asinine regulation that caused everyone to have all of their paperwork redone to accommodate having certification numbers printed on everything we own, or having those numbers installed on all vehicles. Those decisions are nothing more than an abuse of power to try and demonstrate to the constituency who's in charge, and following those regulations costs money. Just not the "boards" money. As in all other governmental scenarios, if the regulations set forth for the common folks to follow affected the ones that make those regulations equally, we wouldn't have to worry about such things. That said, I'll answer the last part of the question. That I'm aware of, nothing is being or has ever been done to address any of the aforementioned. This is the first survey that's ever been done to my knowledge, so no one that has ever been directly affected by the "board's" decisions has ever been asked or ever had input. The problems that exist are pretty much caused by the fact that we have people overseeing things that they have no knowledge of, and those people are overseen by others that don't know enough about what they do to ask questions. But that's typical government - those that can (the businesses), work to fund those that don't want to. Thanks for listening!!! It's been a real pleasure!!"

Heating and Air Conditioning Licensee Questionnaire

Respondent #25 - "Finding qualified employees with adequate training and work ethic. The board is trying to implement training programs."

Respondent #26 - "Not aware of a significant issue. Have no idea what the board is doing regarding issues."

Respondent #27 - "People who do not have contractor licenses working in the field. Trying to search out these ones."

Respondent #28 - "I would think there are many veterans that are contractors however the fees for obtaining licenses can be reimbursed by the Veterans Administration if the board was a part of the VA."

Respondent #29 - "I'm about retired. I really don't know what the Board does most of the time. I'm not against the Board, I just don't know what goes on most of the time. I think contractors need to be better educated before they enter the work force. I think trade schools could do a lot better job of teaching. In new installations, I think better inspections are needed to protect home owners from bad work. I have reported 1 or 2 jobs in the past that was a disgrace to the home owner. Nothing was done. Maybe the Board members should talk to contractors more often."

Refrigeration Licensee Questionnaire

A letter was sent to one hundred Refrigeration licensees requesting their participation in our survey. Thirty participated in the survey. The percentages, where shown, are based on the number who responded to the question.

- 1. Do you think regulation of your profession by the Board of Heating, Air Conditioning and Refrigeration Contractors is necessary to protect the public welfare?**

Yes	25	83%
No	3	10%
No Opinion	2	7%

- 2. Do you think *any* of the Board's requirements are an unnecessary restriction?**

Yes	11	37%
No	17	57%
Unknown	1	3%
No Opinion	1	3%

- 3. Do you think any of the Board's requirements are irrelevant to the competent practice of your profession?**

Yes	12	40%
No	17	57%
Unknown	1	3%

- 4. Are you informed by the Board of changes to and interpretations of the Board's positions, policies, rules, and laws?**

Yes	21	70%
No	8	27%
Unknown	1	3%

- 5. Did the Board performed your licensing and renewal in a timely manner?**

Yes	30	100%
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Refrigeration Licensee Questionnaire

6. Do you consider mandatory continuing education necessary for competent practice?

Yes	17	57%
No	12	40%
No Opinion	1	3%

7. Did the Board approve sufficient providers of continuing education to ensure your reasonable access to necessary continuing education hours?

Yes	23	77%
No	1	3%
No Opinion	6	20%

8. Do you think the Board and its staff are satisfactorily performing their duties?

Yes	21	70%
No	4	13%
Unknown	3	10%
No Opinion	2	7%

9. Has any member of the Board or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a board service for you?

Yes	1	3%
No	29	97%

10. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Board doing to address the issue(s)?

Respondent #1 - "Recruiting and hiring experienced man-power in the HVAC field. I wouldn't say this is an issue that is a responsibility of the Board but there may be ways they could help in addressing this issue."

Respondent #2 - "In my opinion, there needs to be stricter punishments for those who are unlicensed and operate a business. The legitimate business owners have to pay permit fees, license renewals, and penalties when they are late, or if they don't have a permit. Rules are very strict for business owners, while when someone gets caught soliciting HVAC work, they merely get a "slap on the wrist." I believe that they should have jail time and fees as well as not being able to get a license. We need stricter punishments for those breaking the law, because we have strict punishments for those already paying money."

Respondent #3 - "Most significant issue- finding qualified workers"

Refrigeration Licensee Questionnaire

Respondent #4 - “too many unlicensed people getting away with installing hvac eq and companies not running a legal business”

Respondent #5 - “ON-LINE PURCHASE OF HVAC EQUIPMENT BEING INSTALLED BY UNLICENSED CONTRACTORS AND HOMEOWNERS. STATE AND LOCAL TAX REVENUES AND CODE COMPLIANCE "REQUIRED BY LICENSED CONTRACTORS" ARE BEING TOTALLY AVERTED.”

Respondent #6 - “Not enough enforcement of unlicensed contractors”

Respondent #7 - “Unlicensed Contractors!!! Not much!!!”

Respondent #8 - “In my view as a certified contractor in Alabama for 26+ years one of the most significant issue facing the HVAC/Ref industry in our state is the discrepancy between state and local code officials regarding interpretation and enforcement of code. The local inspection departments can sign off on code compliance and the state investigator can still issue violation and collect fines for any violation he claims. There needs to be more accountability for the state board and the investigators and a more reasonable approach to code enforcement by the state investigator [REDACTED]. If local governmental code officials sign off on inspection then the state investigator should not contradict the local government code officials. The state board seems to have a vested interest in issuing violation because this allows them to collect fines that goes directly to the board. In effect, the board is the plaintiff, prosecutor, judge and jury in any case. They arbitrarily issue fines and receive and benefit from the money collected. There is an unbalance of power with not enough accountability.”

Respondent #9 - “Not enough new, young, competent people entering into the HVAC trade. We need to find a way to make it an occupation that people are excited to be a part of. I feel we may be our own worst enemy on some cases.”

Respondent #10 - “The most significant issue is finding competent people to employ. I do not know if the Board is addressing the issue or not.”

Respondent #11 - “Unlicensed contractors.”

Respondent #12 - “All counties and municipalities should be under same mechanical codes. Some, I feel, are too restrictive while others have no codes at all.”

Respondent #13 - “We are in need of qualified people entering the HVAC trade. As far as I can see the board does very little to help. Our state run trade schools are insufficiently equipped with both resources and qualified teachers to meet the demands of the ever growing demands of the HVAC workforce. A far better use of state resources would be a training the next generation rather than providing unnecessary Montgomery bureaucrats.”

Respondent #14 - “SAFETY in the HVAC. Not have more safety in continuing education so smaller company see it and get more informed.”

Respondent #15 - “N/A”

Respondent #16 - “They require way too much financial information for licensing. It is very costly for accountant to prepare.”

Respondent #17 - “No big issues in regards to Refrigeration License. Only request that we would have for the board is to allow the HVAC License cover the

Refrigeration Licensee Questionnaire

Refrigeration License for companies that carry both. We are having to renew twice for similar and/or like licenses.”

Respondent #18 - “Industry changes much too fast”

Respondent #19 - “LICENSES FEES”

Respondent #20 - “Regulations to add or justify more fees and additional costs to contractors or our customers. We are the face they see charging more for less, not the faces of board members or the legislature.”

Respondent #21 - “na”

Respondent #22 - “N/A”

Respondent #23 - “Supply houses selling equipment to non-certified personnel and making it difficult in a bidding situation to compete.”

Respondent #24 - “As far as I have seen in 20 yrs. the board provides absolutely no service or support that is useful to the contractor. I would like to see less government interference with business.”

Respondent #25 - “Limited amount of qualified work force to hire. Don't believe it's a Board issue, but will take any assistance to help with training & education.”

Respondent #26 - “Do not really know. I am retired, but keeping up my license in case I have to go back to work.”

Respondent #27 - “Energy code. A lot of the requirements make no sense.”

Respondent #28 - “none”

Respondent #29 - “TOO MUCH CHANGE TO THE INDUSTRY TOO QUICK.”

Respondent #30 - “no response”

Complainant Questionnaire

A letter was sent to one hundred complainants whose complaints had been resolved within the past two years requesting participation in our survey. Nineteen participated in the survey. The percentages, where shown, are based on the number who responded to the question.

1. Was your complaint filed with the Board of Heating, Air Conditioning and Refrigeration Contractors by:

Mail	13	68%
Phone	6	32%

2. Was receipt of your complaint acknowledged?

Yes	19	100%
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3. If you answer to Question 2 was “YES”, approximately how long after you filed your complaint were you contacted by the board?

Immediately	2	11%
Within 10 days	9	47%
Within 20 days	4	21%
Within 30 days	3	16%
More than 30 days	1	5%

4. Was the Board employee who responded to your complaint knowledgeable and courteous?

Knowledgeable	1	5%
Courteous	2	11%
Both	12	63%
Neither	3	16%
Never Contacted	1	5%

5. Did the Board communicate the results of the investigation into your complaint to you?

Yes	12	63%
No	5	26%
Unknown	2	11%

6. Do you think the Board did everything it could to resolve your complaint?

Yes	6	32%
No	7	36%
No Opinion	6	32%

7. Were you satisfied with your experience with the Board?

Yes	8	42%
No	7	37%
No Opinion	4	21%

8. Do you have any other comments regarding your experience?

Respondent #1: “The problem has never been resolved. I still have issues with the unit that was put in my home. The contractor doesn't seem to want to deal with it. The Dealer doesn't want to deal with it either. I was told that I would only have one visit by [REDACTED] and never have another one. We have to keep it cleaned all the time. Water leaks on the floor all the time. My electric bill is over \$400 a month every month since they put this unit in.”

Respondent #2: “The investigator came and checked out what was done on 9-5-2018. I'm still waiting on the findings as of 9-28-2018”

Respondent #4: “It ended successfully. It took 2 years. It should not have taken so long. 1st complaint - We were not satisfied. 2nd complaint we were satisfied.”

Respondent #6: “You required 2 other HVAC contractors to respond to your questions. I contacted at least 6 and could only get one response. One refused because he feared intimidation and/or audit by the Board. As a result no action was taken against a contractor who knowingly installed a mismatched system with no warranty. My response would be that although the investigator was very helpful, nothing got done. Filing the complaint was useless.”

Respondent #8: “Why was I required to get all these estimates and they were not used to settle the amount it would cost to do the repairs. The estimates should be included in the judgment and the company that did such a poor job should be responsible for those costs.”

Respondent #9: “I was told that the things I complained about was done all over the state after numerous violations are present and photos to backup complaints. This was told to me by the director of HVAC. They come to my home and made a survey of the unit. I was also told to reach out to Mr. [REDACTED]'s wife since [REDACTED] did not have license or was operating under her name. They did nothing to follow up on the complaint after documenting the violations.”

Respondent #11: “The board did an outstanding job, but the bid they took, may not have been the best because we are having problems again and trying to contact the company that made the repairs.”

Respondent #12: “I was contacted by letter from the board to acknowledge receipt of my complaint. I have not been contacted since so I can't answer to courteousness, knowledge, or the results of the investigation. I hope to hear from them soon on it. Thank you, [REDACTED] Complaint # CC [REDACTED].”

Respondent #13: “This contractor would not bulge and I had to hire an attorney and schedule arbitration to get this complain resolved. A major complaint was that the HVAC unit was oversized 40% as per the CONTRACTOR'S schedule J. At arbitration, the contractor's attorney said that 40% oversized was within the industry standard of acceptability. During September 2018, I talked with an area home inspector and he indicated that the contractor is still installing systems larger than the schedule J indicates. Why is this contractor still in business?? I believe the Board did its best (and certainly helped me a lot) and I am very thankful for what they were able to do. However, I also think that the Board should have put this contractor out of business or scared him straight -but has not. A special thank you to inspector [REDACTED] for helping me.”

Respondent #15: “[REDACTED] and his brother both have criminal records in [REDACTED], then moved here and working on jobs not requiring permits. Slipping under the radar. Also I hired [REDACTED] to do the home inspection at the residence [REDACTED] [REDACTED] did the HVAC unit replacement. Mr. [REDACTED] is a Certified HVAC contractor "LOL", a Certified Plumber / Gas Fitter "LOL" , a State Licensed Home Builder and owns [REDACTED]. I went under house and all flex duct is not supported as per code, etc... Nor are the connections sealed with tape or mastic, etc... HE needs his license revoked as well. [REDACTED] State Certified Class A Commercial / Residential General Contractor - [REDACTED] - in Inactive Status [REDACTED] State Certified Commercial / Residential Roofing Contractor - [REDACTED] Retired Over 100+ hours of HVAC continuing education courses over the past 30 years.”

Respondent #16: “The board at first ruled in favor saying they would allow the funds for the correction. However, later - after my attorney contacted them - they said we had not filed the paper work in accordance with the DEADLINE. There was NO DEADLINE stated. Furthermore I tried to reach them at the board several times and they will not answer my phone calls, messages, or emails. I am very dissatisfied with this. Especially after the "investigation" showed 15 code violations in my Hvac system.”

Respondent #17: “Called [REDACTED] with problem. In the end, he was extremely hostile and rude to me! I then called and maybe wrote the head man and it was straightened out. But no bigger a/c unit installed. My house still was not cooling after all of [REDACTED]'s investigations and hours at my house! Finally, the new A/C contractor came and fixed it after redoing stuff in the attic. Said that A/C ducts were very open and that original contractor [REDACTED] knew to put bigger ton A/C unit in house.”

Respondent #18: “None of the difficulties noted by the State inspector have been cleared and I still have ceiling damage.”

Respondent #19: “Only complaint I have is – [REDACTED] put in a 2 ½ ton central heat & air unit – but he had taken out a 3 ton unit. I don't think they could have changed that. Thanks.”

Did not Respond

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APPENDICES

Applicable Statutes

Section 34-31-18 Definitions.

For the purposes of this chapter, the following terms shall have the meanings herein ascribed to them unless the context clearly indicates otherwise:

(1) ADMINISTRATIVE PROCEDURE LAW. Sections 41-22-1 through 41-22-27, and any subsequent amendment or supplement thereto, and any rules or regulations promulgated thereto.

(2) APPRENTICE. A person other than a certified heating, air conditioning, or refrigeration contractor, who is engaged in learning and assisting in the installation, service, or repair of a heating, air conditioning, or refrigeration system and working under the direct supervision of a certified heating, air conditioning, or refrigeration contractor, and who has successfully fulfilled the voluntary registration requirements of the board and has been duly registered by the board as such for the current year.

(3) BOARD. The State Board of Heating, Air Conditioning, and Refrigeration Contractors, herein established.

(4) CERTIFICATION. The process of testing to determine the knowledge and skill of an individual with respect to heating, air conditioning, and refrigeration. This term is used herein interchangeably with the term "license."

(5) CERTIFIED HEATING AND AIR CONDITIONING CONTRACTOR. Any and all legal entities engaged in the business of heating and air conditioning contracting and installation or service and repair.

(6) CERTIFIED REFRIGERATION CONTRACTOR. Any and all legal entities engaged in the business of refrigeration contracting and servicing, installation, and repair.

(7) DUCT AIR TIGHTNESS TESTING CONTRACTOR. Any individual who engages in the practice of testing and verifying duct air tightness in conjunction with the installation, service, or repair of a heating and air conditioning system.

(8) HEATING AND AIR CONDITIONING SYSTEMS OR SYSTEM. A heating and/or cooling apparatus consisting of an air heating and/or cooling fixture from pipes, plenums, or blowers including any accessory and equipment installed in connection herewith; specifically excluding window units, automotive, or farm implement type heating and/or air conditioning equipment.

(9) INSTALLATION. The act of setting up or installing a heating and air conditioning system or refrigeration system for operation and use.

(10) REFRIGERATION. The use of mechanical or absorption equipment to control temperature, humidity, or both, in order to satisfy the intended use of a specific space, other than for human comfort.

(11) REFRIGERATION TRADE OR BUSINESS. Includes any and all legal entities engaged in the installation, maintenance, servicing, and repairing of refrigerating machinery, equipment, devices, and components.

(12) REGULARLY EMPLOYED PERSON. A person who is an actual employee of the business, not an independent contractor. The person must work an average of 30 or more hours per week for the heating, air conditioning, or refrigeration business. A

regularly employed person must not be paid as an independent contractor and must receive a W-2 for all earnings.

(13) RESPONSIBLE CHARGE. The direction of projects involving the installation or service and repair of heating, air conditioning, and refrigeration systems requiring initiation, professional skills, technical knowledge, and independent judgment.

(14) SERVICE AND REPAIR. The act of maintaining for operation a heating, air conditioning, or refrigeration system which has previously been installed including parts replacement within a piece of equipment. (*Acts 1982, No. 82-547, p. 900, §3.1; Acts 1988, No. 88-217, p. 339, §3; Acts 1988, 1st Ex. Sess., No. 88-932, p. 543, §3; Acts 1992, No. 92-180, p. 333, §3; Act 2009-486, p. 879, §1; Act 2015-169, §1.*)

Section 34-31-19 Purpose.

The purpose of this chapter is to certify qualified contractors on a state-wide basis in order to protect the public by identifying those contractors who have the knowledge and ability to install or service and repair heating, air conditioning, and refrigeration systems.

(*Acts 1982, No. 82-547, p. 900, §3.2; Acts 1988, No. 88-217, p. 339, §3; Acts 1988, 1st Ex. Sess., No. 88-932, p. 543, §3; Act 2009-486, p. 879, §1.*)

Section 34-31-20 Board of Heating, Air Conditioning, and Refrigeration Contractors - Creation; composition; transfer of property, etc.

(a) The Board of Heating and Air Conditioning Contractors as created by Act 82-547, 1982 Regular Session (Acts 1982, p. 900), is renamed the Board of Heating, Air Conditioning, and Refrigeration Contractors. The authority of the board is expanded to allow the board to examine, certify, and regulate heating, air conditioning, and refrigeration on a statewide basis.

(b) The board shall consist of 12 members, who shall be citizens of this state and who shall be subject to confirmation by the Senate. The seven initial appointments shall be effective as of July 1, 1982, as follows: One member shall be appointed by the Governor for an initial term of one year, and shall be a licensed professional engineer; one member shall be appointed by the Governor for an initial term of four years and shall be a heating and air conditioning contractor; one member shall be appointed by the Lieutenant Governor for an initial term of three years and shall be a trade representative of an equipment manufacturer or supplier; one member shall be appointed by the Governor for an initial term of three years and shall be a consumer from the general public; one member shall be appointed by the Speaker of the House of Representatives for an initial term of two years and shall be a trade representative of the service, repair parts industry; one member shall be appointed by the Lieutenant Governor for an initial term of two years, and shall be a representative from county or local inspection services department; and one member shall be appointed by the Speaker of the House of Representatives for an initial term of three years, and shall be a consumer from the general public. Three additional members shall be appointed to serve four-year terms beginning on January 1, 2001. Each of these three additional members shall be heating and air conditioning or refrigeration contractors. One of these additional members shall be appointed by the Governor, one of these additional members shall be appointed by the Lieutenant Governor, and one of these additional members shall be appointed by the

President Pro Tempore of the Senate. An additional two members, who shall be heating and air conditioning contractors, shall be appointed by the Speaker of the House of Representatives for initial terms of three years. Their successors, who shall be appointed by the same respective appointing authorities, and shall possess the same respective occupational qualifications, shall each serve not more than two consecutive terms of office of four years each and until their successors are appointed and qualified. The membership of the board shall be inclusive and reflect the racial, gender, geographic, urban/rural, and economic diversity of the state.

(c) All moneys, equipment, and property of the board created pursuant to Sections 34-31-1 through 34-31-17, inclusive, shall, effective July 1, 1982, be transferred to the board created in subsection (a). The board shall pay all money received under this chapter to the State Treasurer, who shall keep the money in a separate fund for the board. All money remaining at the end of the fiscal year which exceeds 25 percent of the board's budget for the previous year shall be transferred to the 501(c)(3) nonprofit Alabama Home Builders Foundation to be used exclusively for classroom training tools at educational facilities that provide heating, air conditioning and/or refrigeration curriculums to include any program approved or accredited by the State of Alabama, United States federal government, or any state or federal governmental agency or board. If, at any time, the Alabama Home Builders Foundation should lose its nonprofit status, those funds shall be transferred to the State General Fund.

(Acts 1982, No. 82-547, p. 900, §3.3; Acts 1983, 2nd Ex. Sess., No. 83-131, p. 137, §1; Acts 1988, No. 88-217, p. 339, §3; Acts 1996, No. 96-748, p. 1318, §3; Act 2000-745, p. 1658, §1; Act 2004-67, p. 82, §3; Act 2008-130, p. 187, §3; Act 2009-486, p. 879, §1; Act 2015-169, §1.)

Section 34-31-21 Board of Heating, Air Conditioning, and Refrigeration Contractors - Officers; meetings; power and duties.

(a) The board shall elect from among its members a chairman, vice-chairman, and a secretary. The board may hire an executive director to serve at the pleasure of the board. The board may require the executive director to perform the duties required by this section and any other tasks required by the board. The board shall set the salary of the executive director. The executive director, with the consent of the board, may employ a deputy director who shall serve at the pleasure of the executive director. The salary and compensation for the deputy director shall be set by the board and shall not exceed the salary set for the executive director.

(b) The chairman shall preside over meetings of the board. The vice-chairman shall preside over meetings of the board in the absence of the chairman. The chairman shall designate another member to preside in the absence of the chairman and vice-chairman.

(c) The secretary or, if directed by the board, the executive director shall perform the following tasks:

- (1) Keep all minutes, books, records, and files of the board.
- (2) Issue all certificates in the name of the board.
- (3) Send all notices and attend to all correspondence directed by the board.
- (4) Receive and deposit all fees.
- (5) Perform all incidental duties of the office as directed by the board.

(d) The secretary shall give bond, payable to the Governor, in the penal sum of \$5,000 for the faithful performance of his or her duties, and the premium therefor shall be paid from the fees of the board.

(e) No moneys shall be withdrawn from the funds of the board except by direction of the board as provided by state law.

(f) A majority of the board shall constitute a quorum for the transaction of all business.

(g) The board is also authorized to adopt and publish minimum repair and service standards for its certified contractors, and shall mail a copy thereof to every certified contractor at least 30 days before the standard of criteria becomes effective. Certified contractors who fail to comply with such minimum standards and criteria shall be punished as prescribed in Section 34-31-32(a).

(h) The board is authorized to hold hearings, call witnesses, administer oaths, take testimony, and obtain evidence in the conduct of its business. It is further authorized to take such disciplinary actions as are authorized in subsection (c) of Section 34-31-32.

(i) The board is authorized to expend funds for purposes of public awareness of the board and its rules and regulations to include advertising, promotional materials, event exhibiting, staff uniforms, or other means approved by the board.

(Acts 1982, No. 82-547, p. 900, §3.4; Acts 1986, No. 86-118, p. 143, §3; Acts 1988, No. 88-217, p. 339, §3; Acts 1988, 1st Ex. Sess., No. 88-932, p. 543, §3; Acts 1992, No. 92-180, p. 333, §3; Act 2000-745, p. 1658, §1; Act 2015-169, §1.)

Section 34-31-22 Board of Heating, Air Conditioning, and Refrigeration Contractors - Compensation.

Each member of the board shall receive one hundred dollars (\$100) per day for attending sessions of the board or its committees and, in addition, shall be reimbursed for such necessary travel expenses as are paid to state employees, to be paid from fees collected.

(Acts 1982, No. 82-547, p. 900, §3.5; Act 2000-745, p. 1658, §1.)

Section 34-31-23 Board of Heating, Air Conditioning, and Refrigeration Contractors - Regular meetings.

The board shall meet in a regular session to perform its lawful duties at least once each three-month period.

(Acts 1982, No. 82-547, p. 900, §3.6.)

Section 34-31-24 Only certified contractors to advertise, etc.; use of license; issuance of license.

(a)(1) No individual, partnership, or corporation shall advertise, solicit, bid, obtain permit, do business, or perform the function of a certified contractor unless the person or persons in responsible charge, as defined in Section 34-31-18, are certified contractors.

(2) Every contractor licensed under this chapter shall display the contractor's certification number and the company name on any and all documentation, forms of advertising, and on all service and installation vehicles used in conjunction with heating, air conditioning, and refrigeration contracting.

(3) A contractor licensed under this chapter may not permit the use of his or her license by any other persons.

(4) No official charged with the duty of issuing licenses to any individual, partnership, or corporation to operate a business as a certified contractor shall issue such license unless there is presented for inspection a certificate of qualification as provided for herein issued by the board to the individual or to some person in responsible charge with the partnership or corporation.

(b) The following requirements apply to the practice of testing or verifying duct air tightness:

(1) Any individual who engages in the practice of testing and verifying duct air tightness is required to register with the board. Such individuals shall not be required to become a certified heating and air conditioning contractor, but shall complete training as set forth by this subsection. The board shall maintain a list of individuals who are registered duct envelope testing contractors in the practice of testing and verifying duct air tightness and leakage. The board may establish fees to be paid by registrants. All fees must accompany the application for registration and are nonrefundable. All registrations must be renewed by December 31 of each year beginning in 2016. The board may establish a late fee for those individuals failing to renew December 31.

(2) Any board certified heating and air conditioning contractor or home builder licensed by the Alabama Home Builders Licensure Board, seeking to register as a duct tightness tester for the purposes of testing ducts on his or her own project or on a third party basis for the general public, must successfully complete the Residential Energy Services Network Home Energy Rating Systems (HERS) Rater training, the Building Performance Institute Building Analyst (BPI) training, or the Home Builders Association of Alabama Qualified Credentialed Air Tightness Verifier (QCATV) training. Any applicant that is not a board certified contractor or a licensed home builder seeking to register as a duct tightness tester for the purposes of testing duct work on a third party basis for the general public, must successfully complete the Residential Energy Services Network Home Energy Rating System (HERS) Rater training or the Building Performance Institute Building Analyst (BPI) training. Each applicant must submit verification that he or she has successfully completed the training required by at least one of the above listed programs to the board prior to receiving the registration in order to be added to the list of registered individuals. Each registrant must submit proof of completion, approved by the Home Builders Association of Alabama, prior to annual re-registration by the board.

(3) The board may discipline any registrant who fails to conduct air tightness testing to the standards set forth by the board. Discipline for registrants may include any and all penalties authorized by this chapter.

(Acts 1982, No. 82-547, p. 900, §3.7; Acts 1988, 1st Ex. Sess., No. 88-932, p. 543, §3; Act 2009-486, p. 879, §1; Act 2015-169, §1.)

Section 34-31-25 Fees; disposition of funds.

(a)(1) For the purpose of defraying the expense in carrying out the provisions of this chapter, the board may fix fees to be paid for the issuance, reissuance, and replacement of certificates and for any other service provided by the board, but in no event shall the charges fixed by the board exceed two hundred fifty dollars (\$250). The inactive fees

may be waived for building officials or inspectors, as defined by the International Code Council. All fees fixed by the board must accompany the application, and no part of the fees shall be refunded. The fees shall be received by the board and held solely for the purpose of paying the expense of carrying out the provisions of this chapter.

(2) Renewal fees shall be established by the board as to insure adequate funding to support the board. Fees shall not exceed two hundred fifty dollars (\$250) per year. The amount of these fees shall be established by the board on an annual basis to provide adequate funding to support the board and to pay the expenses incurred for applications, examinations, and/or renewals of licenses.

(b) Fees for apprentice registration and annual renewal fees shall not exceed fifty dollars (\$50).

(c) All penalties collected by the board shall be used in the same manner and for the same purpose as fees.

(d) Fees for Duct Envelope Testing Contractors application and annual renewal shall not exceed one hundred dollars (\$100).

(Acts 1982, No. 82-547, p. 900, §3.8; Acts 1992, No. 92-180, p. 333, §3; Act 2000-745, p. 1658, §1; Act 2009-486, p. 879, §1; Act 2015-169, §1.)

Section 34-31-26 Renewal of certificates; inactive status; continuing education.

(a) All certificates provided for herein shall be renewed annually, not later than December 31 of each year. All holders of certificates may be renewed annually, provided that the certified contractor has complied with all provisions of law and rules and regulations of the board thereof, upon payment of all fees set forth by the board as provided for in this chapter.

(b) Any person certified by the board may elect an inactive status certificate by notifying the board in writing. The fee for the issuance and renewal of an inactive status certificate shall be established by the board in an amount not to exceed one-half of the amount set for fees pursuant to Section 34-31-25.

(c) The board shall provide by rule or regulation those activities which an inactive status certificate holder may engage in, and for a procedure for the reinstatement as an active status certificate holder.

(d) The board shall adopt an annual program of continuing education for its certified contractors by January 1 of each year. All certified contractors shall be required to complete at least four hours of continuing education every year. In the event a contractor completes in excess of four hours continuing education in a calendar year, he or she may carry over four years to the following renewal year. This minimum continuing education requirement will begin during the calendar year 2001. All certified contractors will be required to complete the minimum continuing education requirements prior to renewal in all years beginning January 1, 2002.

(e) The failure to complete the minimum continuing education requirements shall prevent the renewal of the certified contractor's license until proof of compliance with the continuing education requirement is submitted to the board. The board may permit a certified contractor to submit a deficiency plan to the board for approval by January 1 of each year for medical hardships and emergencies that prevent the certified contractor from complying with the continuing education requirements on time. This deficiency plan shall be specific in describing the plan for full compliance with the continuing

education requirement and shall be accompanied by a deficiency plan fee established by the board.

(f) The board shall adopt rules that prescribe the policies, procedures, and fees for obtaining board approval of the providers, courses, and instructors for the continuing education program.

(g) Any inactive contractor who is 65 years of age or older is exempt from continuing education requirements.

(h) A contractor is exempt from completing continuing education requirements during the first year he or she receives his or her certification with the board.

(Acts 1982, No. 82-547, p. 900, §3.9; Acts 1992, No. 92-180, p. 333, §3; Act 2000-745, p. 1658, §1; Act 2009-486, p. 879, §1; Act 2015-169, §1.)

Section 34-31-27 Citizenship; application forms.

All applicants for examinations and certificates and all applicants for renewal certificates shall be citizens of the United States or, if not a citizen of the United States, a person who is legally present in the United States with appropriate documentation from the federal government, and shall be required to fill out a form which shall be provided by the board.

(Acts 1982, No. 82-547, p. 900, §3.10; Act 2008-130, p. 187, §3.)

Section 34-31-28 Examination for certification; registration; eligibility; further testing, etc., by localities prohibited; exemptions.

(a) All prospective certified contractors in this state desiring to qualify in accordance with the provisions of this chapter shall be required to stand for a written examination before the board. Any applicant failing to pass his or her first examination for a certificate shall be entitled to take any subsequent examination, either written or, upon request of the applicant, practical examination which is equivalent to the written examination, to be held within six months from the date of his or her first or latest unsuccessful examination.

(b) The board shall register every person who may apply for an apprentice heating, air conditioning, or refrigeration registration certificate upon forms provided by the board and upon payment of all prescribed fees.

(c) The board shall examine the character, fitness, and qualifications of every person who applies for a certified heating, air conditioning, or refrigeration contractor license upon forms prescribed by the board and upon payment of all prescribed fees.

(d) An applicant for examination for a heating, air conditioning, or refrigeration certified contractor license shall be eligible to stand for the examination if the applicant has held an apprentice registration, issued by this board, for two or more calendar years; or has completed 3,000 hours of coursework or experience, as defined by the board; or is a graduate of an approved heating, air conditioning, or refrigeration curriculum.

(e) All legal entities engaged in the refrigeration business for a period of two years prior to May 13, 2009, may apply to the board for a certified refrigeration contractor license without standing for a written examination. The applicant shall provide evidence of such experience to the board as promulgated in the rules of the board. An applicant who does not apply for such certification by December 31, 2011, must stand for the written examination.

(f) Counties, municipalities, or other local entities are hereby prohibited from requiring any further local testing or other requirements of certified contractors, subject to the payment of any applicable local privilege, license, or business fees or charges.

(g) Persons licensed by the Alabama Liquefied Petroleum Gas Board are exempt from this chapter pertaining to heating, air conditioning, and refrigeration when:

(1) Engaged in the installation, repair, or replacement of a liquefied petroleum gas appliance so long as the appliance is not connected to a refrigeration system, except that such persons may also engage in the replacement or repair of a liquefied petroleum gas central heating unit when it is combined with an air conditioning unit.

(2) Engaged in the installation of a venting system required for a vented-type liquefied petroleum gas appliance.

(h) This chapter does not apply to:

(1) An authorized employee of the United States, the State of Alabama, or any municipality, county, or other political subdivision, if the employee does not hold himself or herself out for hire or otherwise engage in contracting except in accordance with his or her employment.

(2) Any mobile home or manufactured structure that is installed, inspected, or regulated by the Alabama Manufactured Housing Commission; however, the repair, servicing of a heating and air conditioning system, or the installation of a new heating and air conditioning system in a previously inspected manufactured structure is subject to this chapter.

(3) Persons performing work on motor vehicles, residential refrigerators, or ice machines.

(4) Household appliances.

(5) Farm equipment.

(6) Poultry operations whether engaged in hatching, primary processing, or further processing of chicken, turkey, or other fowl.

(Acts 1982, No. 82-547, p. 900, §3.11; Acts 1986, No. 86-118, p. 143, §3; Acts 1988, No. 88-217, p. 339, §3; Acts 1988, 1st Ex. Sess., No. 88-932, p. 543, §3; Acts 1992, No. 92-180, p. 333, §3; Act 2000-745, p. 1658, §1; Act 2009-486, p. 879, §1.)

Section 34-31-29 Examinations generally; reciprocity agreements.

(a) The board shall provide for examinations which test the knowledge, skill, and proficiency of the applicants.

(b) Examinations shall be held at such time and place as may be fixed by the board at least once each three-month period. Written notice of the place of examinations shall be mailed to all persons who have filed current applications for the examinations of the board.

(c) The board may charge each applicant and retesting applicants for examination a reasonable fee based on the actual costs for administering the examinations. Applicants must stand for the examination within one year from the date the board receives the examination application and fees, otherwise the applicant must resubmit an application and appropriate fees.

(d) The board may enter into reciprocity agreements with other states to permit Alabama certified contractors to engage in work in other states in exchange for that state's contractors being permitted to perform work in Alabama. This provision

recognizes the status of the certified contractor as having passed the examination; however, all certification fees are required to be paid.

(Acts 1982, No. 82-547, p. 900, §3.12; Acts 1988, No. 88-217, p. 339, §3; Acts 1992, No. 92-180, p. 333, §3; Act 2000-745, p. 1658, §1; Act 2009-486, p. 879, §1.)

Section 34-31-30 Performance bond.

The board may require a performance bond in the amount of fifteen thousand dollars (\$15,000) per year for all active certified contractors. There shall be no discrimination between contractors similarly situated, and each classification of regulated contractors for bonding purposes must be reasonable in light of the purpose of the bond.

(Acts 1982, No. 82-547, p. 900, §3.13; Act 2009-486, p. 879, §1.)

Section 34-31-31 List of certified contractors.

The board may publish annually a list of names, addresses of all individuals, and the name of their employer, if applicable, who are certified by the board, and shall mail a copy of the list to all qualified individuals so certified upon request to do so. The board may require a reasonable fee to cover the cost of producing and mailing the directory.

(Acts 1982, No. 82-547, p. 900, §3.14; Acts 1988, 1st Ex. Sess., No. 88-932, p. 543, §3; Act 2000-745, p. 1658, §1.)

Section 34-31-32 Violations; penalties.

(a) Any person engaged in business as a certified contractor or performing the functions of a certified contractor in violation of this chapter shall be guilty of a Class A misdemeanor, as defined by the state criminal code.

(b) The board may, at its discretion, impose late penalties on those certified contractors who fail to renew certificates by December 31 of each year. The board may also remove certification from any certified person who fails to renew his or her certificate by the first day of March and require the person to apply for a new certificate. Furthermore, the board may at its discretion, remove, revoke, or suspend the certification from any certified contractor who provides substandard or dangerous service, repair, or installation, or who otherwise violates this chapter, and may require such person to apply for a new certification. The board may, in its discretion, also require the successful re-testing of any such person who applies for a new certification.

(c) The board may reprimand, in writing, any certified contractor who provides substandard or dangerous service, repair, or installation, or who otherwise violates this chapter.

(d) The board may levy and collect administrative fines for serious violations of this chapter or the rules and regulations of the board of not more than two thousand dollars (\$2,000) for each violation.

(e) In addition to or in lieu of the criminal penalties and administrative sanctions provided in this chapter, the board may issue an order to any person, firm, or corporation engaged in any activity, conduct, or practice constituting a violation of this chapter, directing the person, firm, or corporation to forthwith cease and desist from the activity, conduct, practice, or performance of any work then being done or about to be commenced. The order shall be issued in the name of the State of Alabama under the authority of the board. If the person, firm, or corporation to whom the board directs a

cease and desist order does not cease or desist the proscribed activity, conduct, practice, or performance of work immediately, the board shall cause to issue in any court of competent jurisdiction and proper venue, a writ of injunction enjoining the person, firm, or corporation from engaging in any activity, conduct, practice, or performance of work prohibited by this chapter. Upon showing by the board that the person, firm, or corporation has engaged or is engaged in any activity, conduct, practice, or performance of work prohibited by this chapter, the courts shall issue a temporary restraining order restraining the person, firm, or corporation from engaging in such unlawful activity, conduct, practice, or performance of work pending the hearing on a preliminary injunction, and in due course a permanent injunction shall issue after the hearing, commanding the cessation of the unlawful activity, conduct, practice, or performance of work complained of, all without the necessity of the board having to give bond. A temporary restraining order, preliminary injunction, or permanent injunction issued pursuant to this subsection shall not be subject to being released on bond. In the suit for an injunction, the board may demand of the defendant a fine of up to two thousand dollars (\$2,000) plus costs for each offense. Anyone violating this chapter who fails to cease work, after a hearing and notification from the board, shall not be eligible to apply for a certified contractor's license for a period not to exceed one year from the date of official notification to cease work. The board may withhold approval, for up to six months, of any application from anyone who prior to the application has been found in violation of this chapter.

(Acts 1982, No. 82-547, p. 900, §3.15; Acts 1988, No. 88-217, p. 339, §3; Acts 1992, No. 92-180, p. 333, §3; Act 2000-745, p. 1658, §1; Act 2004-67, p. 82, §3; Act 2009-486, p. 879, §1.)

Section 34-31-33 Procedure.

The procedures shall be same as those defined in the Alabama Administrative Procedure Act, Chapter 22 of Title 41. The board may establish additional procedures as needed provided that the procedure is published and made public and are not in conflict with the state law.

(Acts 1982, No. 82-547, p. 900, §3.16; Acts 1983, 2nd Ex. Sess., No. 83-131, p. 137, §1.)

Section 34-31-34 Appeals.

Any appeals to the chapter shall be as defined by the Alabama Administrative Procedure Act, Chapter 22 of Title 41.

(Acts 1982, No. 82-547, p. 900, §3.17; Acts 1983, 2nd Ex. Sess., No. 83-131, p. 137, §1.)

Section 34-31-35 Sunset provision.

The State Board of Heating, Air Conditioning, and Refrigeration Contractors shall be subject to the Alabama Sunset Law, Title 41, Chapter 20, as an enumerated agency as provided in Section 41-20-3, and shall have a termination date of October 1, 2004, and every four years thereafter, unless continued pursuant to the Alabama Sunset Law.

(Act 2000-745, p. 1658, §2; Act 2009-486, p. 879, §1.)

Professional Services by Vendor

Administrative Services	FY 2015	FY 2016	FY 2017	FY 2018
<u>Advertising</u>				
Alabama Assoc. Plumbing, Gas	\$ 999.00	\$ 999.99	\$ 999.00	\$ -
Alabama Radio Network	-	7,500.00	-	-
Clear Channel Broadcasting	3,000.00	6,000.00	16,500.00	15,000.00
Crimson Tide Sports Mktng	15,000.00	-	-	-
Home Builders Assoc.	10,500.00	10,000.00	10,000.00	7,500.00
Legislative Reference Service	300.00	120.00	-	200.00
Professional Sports	14,000.00	-	-	-
Advertising Total	43,799.00	24,619.99	27,499.00	22,700.00
<u>Answering Services</u>				
Calling Post Comm Inc.	346.00	-	-	-
<u>Collection Services</u>				
First Data Merchant Services LLC				1,477.50
<u>Department of Finance</u>				
Comptroller	3,521.06	4,298.03	3,295.75	3,487.22
FMRS	2,301.90	2,950.71	552.97	482.28
Finance IT Planning & Oversight	552.50	625.00	655.00	670.85
STAARS	-	44,000.00	44,000.00	22,000.00
Department of Finance Total	6,375.46	51,873.74	48,503.72	26,640.35
<u>Mailing Services</u>				
Department of Finance Total	72.02	55.87	241.95	283.15
Walker360	-	-	-	284.00
Mailing Services Total	72.02	55.87	241.95	567.15
<u>Moving Services</u>				
AAA Associates Moving	7,968.00	-	-	-
Admiral Movers	-	-	-	6,847.75
ADECA	140.00	-	-	-
Moving Services Total	8,108.00	-	-	6,847.75
State Personnel Department	3,156.00	2,560.00	2,961.00	4,289.00
<u>Research Services</u>				
ALRRS, LLC	1,910.00	-	-	-
Calling Post Comm Inc.	-	267.00	463.90	-
ACTSOFT, INC	-	420.00	60.00	-
Research Services Total	1,910.00	687.00	523.90	-
<u>Sanitation Services</u>				
Gilmore Services	27.80	55.60	96.54	146.97

Education/Training Consultants

AARB	2,275.00	1,875.00	1,800.00	3,875.00
Air Conditioning Contractors	-	-	797.00	-
Alabama Association Plumbing, Gas	300.00	300.00	-	-
Alabama Power Company	-	5,400.00	-	-
Careertrack	-	-	199.00	-
CLEAR	-	900.00	-	-
COAA	-	-	-	840.00
Defense Research Institute	2,050.00	-	2,220.00	-
DIGITEL CORP	-	1,175.00	-	-
Federal Assoc. of Regulatory Brds	-	-	-	1,800.00
Home Builders Association	825.00	300.00	-	-
National Employee Law Institute	1,790.00	-	-	-
National Assoc. State Contractors	1,935.00	450.00	5,880.00	2,360.00
PROV Inc.	18,560.00	23,520.00	28,480.00	28,240.00
PSI Services Inc.	9,000.00	-	-	-
South Alabama Code Officials	120.00	-	-	-
The National Construction	750.00	875.00	-	-
Education/Training Consultants Total	<u>37,605.00</u>	<u>34,795.00</u>	<u>39,376.00</u>	<u>37,115.00</u>

Total Administrative Services

101,617.53	114,647.20	119,202.11	99,783.72
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Data Processing

Department of Finance	7,619.66	9,188.89	7,896.44	22,908.26
KALM Services	21,000.00	19,250.00	15,500.00	8,050.09
Data Processing Total	<u>28,619.66</u>	<u>28,438.89</u>	<u>23,396.44</u>	<u>30,958.35</u>

Legal Services

Attorney General's Office	750.00	1,505.00	2,700.00	975.00
Boggs Reporting & Video, LLC	2,171.05	1,110.80	2,140.50	-
Legal Services Total	<u>2,921.05</u>	<u>2,615.80</u>	<u>4,840.50</u>	<u>975.00</u>

Total Professional Services

<u>\$ 133,158.24</u>	<u>\$ 145,701.89</u>	<u>\$ 147,439.05</u>	<u>\$ 131,717.07</u>
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Examination Results for Alabama Public Educational Institutions

Heating and Air Conditioning Examination

	2015			2016		
	# Taken	# Passed	% Passed	# Taken	# Passed	% Passed
Alabama State University	42	25	60%	38	20	53%
Auburn University	10	5	50%	2	0	0%
Auburn University - Montgomery						
Enterprise State Community College	9	5	56%	12	8	67%
Jefferson State Community College - Jefferson Campus	47	32	68%	55	37	67%
Jefferson State Community College - Shelby Hoover Campus	46	28	61%	48	28	58%
North Alabama Electrical JATC	14	12	86%	13	1	8%
Shelton State Community College	2	1	50%	0	0	0%
University of Alabama - Tuscaloosa	9	3	33%	14	9	64%
University of South Alabama	27	15	56%	30	22	73%

No exams given at Auburn University - Montgomery or University of Alabama - Huntsville for FY2015 or FY2016

	2017			2018		
	# Taken	# Passed	% Passed	# Taken	# Passed	% Passed
Alabama State University	31	14	45%	18	9	50%
Auburn University	19	9	47%	10	6	60%
Auburn University - Montgomery	0	0	0%	24	12	50%
Enterprise State Community College	3	2	67%	6	3	50%
Jefferson State Community College - Jefferson Campus	40	17	43%	31	18	58%
Jefferson State Community College - Shelby Hoover Campus	59	37	63%	30	19	63%
North Alabama Electrical JATC	8	6	75%	7	2	29%
University of Alabama - Huntsville	43	19	44%	15	8	53%
University of Alabama - Tuscaloosa	15	10	67%	21	9	43%
University of South Alabama	30	14	47%	29	13	45%

No exams given Shelton State Community College for FY2017 or FY2018

Refrigeration Examination

	2015			2016		
	# Taken	# Passed	% Passed	# Taken	# Passed	% Passed
Alabama State University	1	1	100%	2	1	50%
Auburn University	5	5	100%	2	1	50%
Enterprise State Community College	1	1	100%	3	3	100%
Jefferson State Community College - Jefferson Campus	4	3	75%	5	5	100%
Jefferson State Community College - Shelby Hoover Campus	3	2	67%	8	8	100%
North Alabama Electrical JATC	0	0	0%	2	2	100%
University of Alabama - Huntsville	0	0	0%	3	3	100%
University of South Alabama	4	3	75%	4	4	100%

No exams given at Auburn University - Montgomery or University of Alabama - Tuscaloosa for FY2015 or FY2016

	2017			2018		
	# Taken	# Passed	% Passed	# Taken	# Passed	% Passed
Alabama State University	3	3	100%	2	2	100%
Auburn University	1	1	100%	1	1	100%
Auburn University - Montgomery	3	3	100%	2	2	100%
Enterprise State Community College	1	1	100%	0	0	0%
Jefferson Campus	4	4	100%	6	6	100%
Jefferson State Community College - Shelby Hoover Campus	6	6	100%	9	8	89%
North Alabama Electrical JATC	1	1	100%	0	0	0%
University of Alabama - Huntsville	3	3	100%	1	1	100%
University of Alabama - Tuscaloosa	10	10	100%	1	1	100%
University of South Alabama	6	4	67%	1	1	100%

Board Members



Kay Ivey
GOVERNOR

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

PO Box 305025
Montgomery, Alabama 36130-5025
(334) 242-5550

Fax: (334) 242-5555
www.hacr.alabama.gov



Jeffrey M. Becraft
EXECUTIVE DIRECTOR

October 2, 2018

Christine Kilpatrick
Examiner of Public Accounts
PO Box 302251
Montgomery, AL 36130-2251

Dear Ms. Kilpatrick:

Pursuant to your request, please find the information required for the Board of Heating, Air Conditioning & Refrigeration Contractor's list of all Board members and their terms.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey M. Becraft".

Jeffrey M. Becraft
Executive Director

**Board of Heating, Air Conditioning and Refrigeration Contractors
Board Members
Contact List 2018**

Governor Appointments

Contractor

Susan Bolt (02206)

Opelika, AL 36801
Appt: 2/2/2017 & Conf: 3/16/2017
Exp: 12/31/20

Mechanical Engineer

Dr. Heshmat A. Aglan, Ph.D., P.E.

Tuskegee, AL 36088
Appt: 7/1/2015 & Conf: 6/4/2015
Exp: 6/30/2019

Consumer

Donald "Dink" J. Myers

Albertville, AL 35950
Appt: 7/1/2013 & Conf: 3/6/2014
Exp: 6/30/2017

Contractor

Barrett Richard (07061)

Cullman, AL 35056
Appt: 5/8/15 & Conf: 4/20/2016
Exp: 6/30/2018

Lieutenant Governor Appointments

Contractor

Wilber Webb (83946)

Mobile, AL 36607
Appt: 3/15/17 & Conf: 5/4/17
Exp: 12/31/20

Trade Representative

Charles "Charlie" W. Edwards, III

Montgomery, AL 36107
Appt: 7/1/2013 & Conf: 3/19/2014
Exp: 6/30/17

County/Local Inspector

Alan Boswell

Tuscaloosa, AL 35401
Appt: 7/1/2016 & Conf: 2/25/2016
Exp: 6/30/2020

Speaker of the House Appointments

Consumer

Troy Ingram

Gurley, AL 35748
Appt: 7/1/17 & Conf: 5/4/17
Exp: 6/30/21

Trade Representative

Misty Forbus

Montgomery, AL 36117
Appt: 4/13/17 & Conf: 5/4/17
Exp: 6/30/20

Contractor

Tony S. Brown (94027)

Northport, AL 35476
Appt: 2/14/2014 & Conf: 3/19/14
Exp: 12/31/2015

Contractor

Albert Davis (05018)

Birmingham, AL 35208
Appt: 4/11/17 & Conf: 5/4/17
Exp: 12/31/19

President Pro Tempore Appointment

Contractor

Brett Hall (03205)

Eva, AL 35621
Appt: 7/1/17 Conf: 5/17/17
Exp: 12/31/20

Board's Response to Significant Issues



Kay Ivey
GOVERNOR

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

100 North Union Street, Suite 980
P.O. Box 305025
Montgomery, Alabama 36130-5025
(334) 242-5550

Fax: (334) 242-5555
www.hacr.alabama.gov



Jeffrey M. Becraft
EXECUTIVE DIRECTOR

September 17, 2019

Maria Catledge
Director, Operational Division
Examiner of Public Accounts
50 North Ripley Street, Room 3201
Montgomery, AL 36130

Dear Ms. Catledge:

On behalf of the Board and the staff of the Alabama Board of Heating, Air Conditioning and Refrigeration Contractors, please accept this letter as acknowledgement and the response to your September 5, 2019 letter regarding significant findings after your office performed a Sunset Review of this agency.

Significant Issue 2019-01 – The Board's operating disbursements have exceeded operating revenues for the past four fiscal years.


- As indicated in your analysis of this situation, the Board has taken steps to offset the difference between anticipated revenues and expenditures.
- The fee increases for Heating, Air & Refrigeration Contractors is anticipated to bring in an additional \$93,000 over FY 2019 year to date revenue projections.
- The Board has decreased payroll by an approximate \$40,000 over and above the payout for annual and sick leave for the previous Executive Director upon retirement from FY 2018 to FY 2019.
- The Board in September 2018 moved back into the Capital Campus Complex which has eliminated expenditures that is now provided by OIT.
- The Board by RFP process entered into an agreement with IGOV for a licensing system which replaces earlier systems which were not meeting the needs of this Board. For the past four years we have been obligated to pay out more than \$200,000 for a licensing system which could not provide the information essential to our operational needs for licensing contractors. This extended obligation was due to verbiage in the contract and the reluctance of the previous Executive Director to take the necessary actions to break the contract. The new licensing database will also offset printing and mailing expenditures due to the expanded method of renewing and the projected decrease should be greater than \$10,000. Provisions have also been taken to insure the compliance of the vendor to this Board.

- The Board also plans to rotate the purchase of a new vehicle on an annual basis in order to eliminate incurring expenses over and above anticipated projected revenues. This rotation should provide safe and reliable vehicles to our employees as well as generate a better return for resale which will be incorporated into the purchase of a new vehicle.

Significant Issue 2019-02 – All certificates issued by the Board must be renewed annually, not later than December 31 of each year. (Rule 440-X-3-.05 Failure to Renew)

- The Board filed an emergency rule changing the late fee to a set one-time late fee annually at the rate of \$250.00. Late fees no longer elevate throughout the year. The Board also simultaneously for the rule to become permanent beginning January 1, 2020.

Please contact me with any questions or concerns regarding the resolution to the above findings. I can be reached in my office at 242-5552.

Sincerely,

Jeffrey M. Becraft
Executive Director