**A** **BILL**

TO AMEND ARTICLE 1, CHAPTER 59, TITLE 40 OF THE 1976 CODE, BY ADDING SECTION 40‑59‑35 TO DEFINE CERTAIN TERMS, PROHIBIT THE SALE OF HEATING, VENTILATION, OR AIR CONDITIONING EQUIPMENT BY CERTAIN PARTIES EXCEPT UNDER CERTAIN CONDITIONS, TO EXEMPT HOMEOWNERS FROM THIS SECTION, TO IMPOSE RECORD KEEPING REQUIREMENTS ON A SUPPLIER OR DISTRIBUTOR OF HEATING, VENTILATION, OR AIR CONDITIONING EQUIPMENT, TO PROVIDE THESE RECORDS MUST BE OPEN TO INSPECTION BY THE DEPARTMENT OF LABOR, LICENSING AND REGULATION OR A DESIGNEE OF THE DEPARTMENT, TO PROVIDE THE SERVICE OF INSTALLING HEATING, VENTILATION, OR AIR CONDITIONING EQUIPMENT MUST BE PERFORMED IN COMPLIANCE WITH APPLICABLE BUILDING CODES AND OTHER SPECIFIC REQUIREMENTS, AND TO PROVIDE PENALTIES FOR A VIOLATION.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 59, Title 40 of the 1976 Code is amended by adding:

“Section 40‑59‑35. (A) As used in this section:

(1) ‘Department’ means the Department of Labor, Licensing and Regulation.

(2) ‘Heating, ventilating, or air conditioning equipment’ or ‘HVAC equipment’ means:

(a) a gas furnace;

(b) an electrical air handler;

(c) a condensing unit, including a heat pump;

(d) a packaged heating unit, cooling unit, or combined heating and cooling unit, except for a portable self‑contained appliance of less than three tons;

(e) a wall furnace; or

(f) a cooling coil.

(B)(1) A manufacturer, authorized supplier, distributor, or wholesaler may not sell, transfer, or offer to transfer HVAC equipment to a contractor who is not licensed pursuant to this chapter.

(2) A licensed contractor may not sell or transfer HVAC equipment to a final end‑user for installation purposes unless the end‑user is licensed pursuant to this section.

(C) A homeowner is exempt from the provisions of subsection (B) pursuant to Section 40‑59‑260.

(D) A supplier or distributor of HVAC equipment doing business in this State must keep written or electronic records in which they must make accurate daily entries of any related articles sold in the course of business in this State. These records must include the name and address of the purchaser, date sold, and model and serial number of equipment sold. For purposes of this section, the supplier or distributor may include the license number of the licensed contractor as part of the records or maintain a separate record of all licensed contractors who purchase HVAC equipment from him.

(E) The records required to be kept by this section must be open for inspection by the department or a designee of the department.

(F) An HVAC installation service must be performed in compliance with applicable building codes, installation instructions of the manufacturer, permit requirements, and inspection requirements.

(G) A person who violates a provision of this section is:

(1) guilty of misdemeanor and, upon conviction, is subject to a fine of not more than five hundred dollars;

(2) subject to provisions of Section 40‑59‑210(B); and

(3) subject to a civil penalty by the department pursuant to regulation the department may promulgate.”

SECTION 2. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑