

Air Conditioning and Refrigeration Penalties and Sanctions

Texas Occupations Code, Chapter 1302
16 Texas Administration Code, Chapter 60
16 Texas Administration Code, Chapter 75

Class A

Penalty Range: \$500 to \$1,000

Administrative Violations

Violation	Statute/Rule
Engaged in air conditioning contracting in city without notifying city of license	1302.262(a)
Failed to provide a revised insurance certificate to the Department within 30 days of change in business affiliation	75.40(d), 75.70(h)(2)
Failed to notify Department of change of address, company location, company telephone number, or business affiliation within 30 days of the change	75.70(a)(4), 75.70(h)(1), 75.73(d)
Failed to furnish to municipalities a list of authorized agents who may pull permits under the license	75.70(a)(6), 75.71(a)(5)
Failed to notify Department of assignment of license to company	75.71(a)(1)
Failed to notify Department that a licensee has left within 30 days	75.71(a)(1)
Failed to provide copy of assumed name certificate to the Department	75.71(a)(2)

Advertising Violations

Violation	Statute/Rule
Failed to include license number in advertisement which requires the license number	75.71(h)

Public Notice Violations

Violation	Statute/Rule
Failed to include Department information on proposal, invoice, contract, or sign displayed in place of business	75.71(i)
Failed to include license number on proposal or invoice	75.71(i)

Violation	Statute/Rule
Failed to include company name, address and phone number on proposal or invoice	75.71(i)
Failed to display or incorrectly displayed the company name and license number on vehicles which require it	75.71(g)
Failed to display company name and license number on sign at job site visible from street	75.71(g)

Class B

Penalty: \$1,000 to \$3,500 and/or up to 1-year full suspension

Records Violations

Violation	Statute/Rule
Failed to maintain records showing employment status of assigned licensee	75.71(a)(3)
Failed to make records available to the Department for at least three years after completion of a job	75.71(a)(6)
Failed to furnish a copy of licensee employment records at the request of the Department	75.71(a)(4)
Failed to provide invoice to consumer	75.71(i)

Mechanical Integrity Violations

Violation	Statute/Rule
Failed to obtain permit	1302.401(a)(2), 1302.401(b)(1), 75.100(e)(1)

Unlicensed Violations

Violation	Statute/Rule
Performed or offered to perform air conditioning or refrigeration contracting not authorized by the license classification	1302.253, 1302.251(a)
Performed or offered to perform air conditioning or refrigeration contracting not authorized by the license endorsement	1302.254(d), 1302.251(a)
Performed or offered to perform while license expired, or renewal denied	1302.251(a), 60.31(g),
Performed or offered to perform biomedical remediation without a license	1302.251(a), 75.100(c)(3)

Violation	Statute/Rule
Used the designation “certified technician” when did not meet the requirements of certification	1302.5055(b), 75.28(b), 75.73(a)(5)
Performed non-exempt duct work without a license	75.100(c)(1)

Improper Use of a License Violations

Violation	Statute/Rule
Allowed someone else to use license – not an employee or subcontractor	75.70(f), 75.70(g), 75.73(b),75.73(c)
Assigned a contracting license to more than one permanent office or more than one company	1302.251(c), 75.70(a)(1), (3)
Assigned license but not an employee or owner or not working full time at the company or permanent office	75.70(a)(2)
Company used a license not assigned to company	75.71(j)
Used a location other than the permanent office for contracting air conditioning sales or service	75.71(f)

Class C

Penalty: \$2,000 to \$5,000 and/or 1-year probated suspension up to revocation

Administrative Violations

Violation	Statute/Rule
Altered a license or registration in any way	75.70(j), 75.73(e)
Restricted license holder failed to abide by conditions imposed on licensee	51.357(b), 75.75(a)
Restricted license supervisor failed to use reasonable care to ensure that the restricted license holder complies with conditions imposed on licensee	51.357(d); 75.75(b)

Insurance Violations

Violation	Statute/Rule
Failed to maintain insurance	75.40(a), 75.40(b), 75.70(i)
Obtained insurance from a company not authorized to sell liability insurance in Texas	75.40(c)
Failed to provide proof of insurance upon request of the Department	75.40(d), 75.70(i)

Violation	Statute/Rule
Failed to provide insurance information to a consumer upon request	75.40(g)
Performed or offered to perform air conditioning or refrigeration contracting to the general public while having insurance waiver	75.40(f)

Mechanical Integrity Violations

Violation	Statute/Rule
Failed to provide proper installation, service, or mechanical integrity	1302.401(b)(1), 75.70(a)(7), 75.70(b)(3), 75.70(d), 75.70(e), 75.71(b)(1), 75.71(c)(3), 75.73(a)(1), 75.100(e)(1),
Failed to comply with municipal code or ordinance	1302.401(a)(2), 75.100(e)(1)
Failed to perform all electrical work in accordance with National Electrical Code and the International Residential Code, as applicable	75.100(a)(4)
Installed fuel gas piping other than as permitted	75.100(b)(1)
Altered an existing fuel gas piping system, stop, or shut-off valve	75.100(b)(1)
Installed drain piping other than as permitted	75.100(b)(2)
Failed to supervise an air conditioning and refrigeration technician	1302.503
Failed to provide direct supervision of all work requiring a license, certification, or registration	75.70(a)(5),75.71(e)
Failed to provide in-person supervision, either directly or via a certified technician, to a person younger than 18 years of age and acting or offering to act on behalf of the licensee as an air conditioning and refrigeration technician	1302.503(b), 75.70(12)

Misrepresentation Violations

Violation	Statute/Rule
Intentionally or knowingly misrepresented services or services to be provided	1302.401(b)(2), 75.70(a)(8), 75.71(b)(2), 75.73(a)(2)

Violation	Statute/Rule
Made a fraudulent promise or false statement to induce a person to contract for services	1302.401(b)(3), 75.70(a)(9), 75.71(b)(3)

Unlicensed Violations

Violation	Statute/Rule
Performed or offered to perform air conditioning or refrigeration contracting without a license	1302.251(a), 1302.252(a)
Collected a fee for air conditioning or refrigeration work performed without a license	1302.252(b)
Used the services of a person who was not a registered technician, certified technician, student in a certification training program, or a licensed air conditioning and refrigeration contractor to assist in the performance of air conditioning and refrigeration maintenance work	1302.263(2), 75.70(a)(11), 75.71(k)
Acted or offered to act as an air conditioning and refrigeration technician without a registration or certification	1302.501(a)
Technician assisted a person who was not licensed as a contractor	1302.509(2)
Knowingly performed work on behalf of an unlicensed company	75.70(a)(10), 75.73(a)(4)
Used an unlicensed subcontractor without actively providing work or services requiring a license	75.70(b)(1),(2), 75.71(c)(1),(2)
Subcontracted an entire job to an unlicensed person	75.70(b), 75.71(c)
Subcontracted design of an air conditioning and refrigeration system to an unlicensed person	75.70(c), 75.71(d)
Registered or Certified technician performed non-exempt air conditioning and refrigeration maintenance work without being under the supervision of a licensed air conditioning and refrigeration contractor	1302.503, 75.73(a)(3)
Permits the use or display of a license by a person not authorized to use that license	60.23(a)(3)

Class D

Penalty: \$5,000 and/or revocation

Violation	Statute/Rule
Failed to comply with previous order of Commission or Executive Director	1302.401(a)(1), 51.353(a), 60.23(a)(5), 75.90

Violation	Statute/Rule
Obtained or attempted to obtain a license, certification, or registration by fraud or false representation	60.23(a)(1)
Falsified any document submitted to the Department or Commission	60.23(a)(2)
Failed to comply with all exam security requirements; Cheated on an examination	75.21(c), (d), 60.54
Failed to pay the Department for a dishonored payment	60.82
Failed to cooperate in an investigation of a complaint	60.203(a), (c)
Failed to make available to the department all records, notices, or other documents requested	60.203(b)
Interfered with an investigation or threatened or intimidated a Department employee in connection with an investigation	60.203(c)(3)