

## COMMUNITY AFFAIRS

**Division of Codes and Standards  
Liquefied Petroleum Gas  
Certification of Propane Service Contractors  
Extension of Time for Obtaining Certification  
Proposed Amendment: N.J.A.C. 5:18-1.3**

Authorized By: Joseph V. Doria Jr., Commissioner,

Department of Community Affairs.

Authority: N.J.S.A. 21:1B-2, 21:1B-15, 34:1-20 and 34:1A-3(e); 52:27D-511;

Reorganization Plan No. 002-1998.

Proposal Number: PRN 2009-215

Calendar: Reference: See Summary below for explanation of exception to calendar requirement.

Submit written comments by September 18, 2009 to:

Michael L. Ticktin, Esq.  
Chief, Legislative Analysis  
Department of Community Affairs  
PO Box 802  
Trenton, NJ 08625  
Fax No. (609) 633-6729  
E-mail: mticktin@dca.state.nj.us

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**JOSEPH V. DORIA, JR., Commissioner**

The agency proposal follows.

### **Summary**

The Propane Gas Customer Protection Act, P.L.2007, c.150, requires that people performing work on propane systems be certified by the Department. Rules implementing the Act were adopted by the Department and published in the October 6, 2008 issue of the *New Jersey Register* at 40 *N.J.R.* 5576(a). As adopted, the rule mandates that “no propane service work as described in this section shall be undertaken without the appropriate Propane Service Certification after October 5, 2009.”

The Liquefied Petroleum Gas Education and Safety Board, the statutory board that includes both industry and non-industry representatives and advises the Department with regard to its regulation of the liquefied petroleum gas industry, has recommended that the compliance date for the certification requirement be extended to allow enough

time for all persons who perform work on propane systems, whether or not they are employed by licensed LP Gas marketers, have the opportunity to obtain the necessary training and certification. The Department is therefore proposing a one-year extension.

As the Department has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

#### **Social Impact**

The training and certification requirements for propane service contractors improve public safety by ensuring that people who work on propane systems are qualified. Improperly installed propane systems can create hazardous situations. In many cases, such as appliance replacements and service, a building permit may not be required. In these cases the work is not inspected, so that contractors essentially regulate themselves. Contractors who have been properly trained are less likely to make mistakes that can result in a risk to the public. In cases where work does require a permit, having qualified contractors adds an additional element of consumer protection. By allowing an additional year to obtain certification, the Department seeks to ensure that all persons who perform work on propane systems will have the opportunity to get the required training in a timely manner.

#### **Economic Impact**

The proposed amendments would impose an additional cost on contractors who are engaged in propane work. According to information from the New Jersey Propane Gas Association, the cost of taking the CETP training is \$250.00 for Basic Principles and Practices and \$350.00 for part 4.2, \$350 for part 6.0 and \$350 for part 7.0. There also is a \$50.00 Department licensing fee. There is no continuing education requirement. To obtain a "Propane Service Certification – Container Service and Certification" the total cost would be \$650.00. To obtain a "propane service certification – appliance installation and service" the cost would be \$1000.00. The courses and tests need only be passed once, so the expenses are one time costs. The costs listed do not include transportation or lodging costs associated with attending the training.

Extension of the time allowed for certification by one year would avoid the adverse economic impact that might result for any person required to be certified who has not been able to obtain the necessary training and obtain certification by the current deadline of October 5, 2009.

#### **Federal Standards Statement**

A Federal standards analysis is not required because the proposed amendments are not being proposed under the authority of, or in order to implement, comply with or participate in, any program established under Federal law or under a State statute that incorporates or refers to Federal law, standards or requirements.

#### **Jobs Impact**

The proposed rule, if adopted, may be expected to result in the preservation of the jobs of persons who work with propane and need additional time in order to complete the required training programs and obtain certification.

#### **Agriculture Industry Impact**

The Department does not anticipate that the proposed new rules and amendments would have any impact on the agriculture industry.

### **Regulatory Flexibility Analysis**

The proposed amendments would extend the time for those performing work on propane systems to become certified. Most of the contractors who work on propane tanks and propane appliances are “small businesses,” as defined in the New Jersey Regulatory Flexibility Act. The certification of propane service contractors is required under the Propane Gas Customer Protection Act. The act requires the Department promulgate rules for the certification and competency testing of anyone providing propane services, and thus establish minimum necessary qualifications for those working on propane systems, so no accommodation can be made based on business size. No new compliance, reporting or recordkeeping requirements are being proposed. The proposed amendment would not require that small businesses retain any professional services.

### **Smart Growth Impact**

Adoption of the proposed amendments would not have any consequences for the achievement of smart growth or the implementation of the State Development and Redevelopment Plan.

### **Smart Growth Development Impact**

Since the proposal only concerns an extension of time for propane service contractors to obtain certification from the Department, there is an extreme unlikelihood that it would evoke a change in housing production within planning areas one and two or within designated centers under the State Development and Redevelopment Plan.

### **Housing Affordability Impact**

Since the proposal only concerns an extension of time for propane service contractors to obtain certification from the Department, there is an extreme unlikelihood that it would evoke a change in the average costs associated with housing.

**Full text** of the proposal follows (additions indicated in bold face **thus;** deletions indicated in brackets [thus]).

#### **5:1 –1.3 Compliance**

(a) – (e) (No change.)

(f) No propane service work as described in this section shall be undertaken without the appropriate Propane Service Certification after October 5, [2009] **2010**.

(g)-(m) (No change.)