

**ASSEMBLY BILL NO. 3703  
(First Reprint)**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3703 (First Reprint) with my recommendations for reconsideration.

This bill requires a Heating, Ventilation, Air Conditioning, and Refrigeration ("HVACR") company operating in the State to employ a bona fide representative who has at least a one percent ownership stake in the company. I strongly support the intent of the bill, which is designed to protect consumers by ensuring that companies performing work in New Jersey have a sufficient nexus with our State and are readily accessible and responsive to the customers they serve here, and I commend the sponsors for taking steps to address this important issue.

I am concerned, however, that the bill in its present form will have the unintended consequence of requiring large, national publicly traded companies currently performing HVACR work in New Jersey to give a single contractor thousands of its shares of stock in order to continue serving New Jersey businesses and families. This requirement would be unworkable for most of the industry's large corporations, which would effectively preclude them from doing business here. This outcome would not advance the legitimate aims this bill seeks to promote, as the magnitude, presence, and resources of these large, publicly-traded corporations ensure that they will be accessible and accountable to New Jersey consumers who procure their services.

In order to avoid jeopardizing the jobs of the hundreds of contractors who work for national HVACR companies presently doing business in the State, I am recommending a commonsense revision to expand the bill's current exemption from the requirement that bona

fide representatives hold an ownership stake in the company to also include publicly traded corporations principally engaged in HVACR contracting. This revision will preserve the bill's consumer protections while also ensuring that the economic vitality of the industry is not inadvertently compromised.

Accordingly, I herewith return Assembly Bill No. 3703 (First Reprint) and recommend that it be amended as follows:

- Page 2, Section 1, Line 14: After "means" insert ", except as otherwise provided herein,"
- Page 2, Section 1, Line 22: Delete ", unless the" and insert ". A "bona fide representative" means, with respect to a"
- Page 2, Section 1, Line 24: After "State" insert "which"
- Page 2, Section 1, Line 25: Delete "in which case"
- Page 2, Section 1, Line 26: Delete "the bona fide representative shall be:" and insert "or with respect to a publicly-traded corporation, including its wholly-owned subsidiaries, whose principal business in this State is HVACR contracting:"

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor