



House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

## ELECTRICAL CONTRACTOR'S LICENSE; EXEMPTIONS

### House Bill 5182 as introduced First Analysis (10-17-01)

**Sponsor: Rep. Wayne Kuipers**  
**Committee: Employment Relations,  
Training and Safety**

#### ***THE APPARENT PROBLEM:***

In 1992, the legislature enacted Public Act 130 (House Bill 5701) to exempt three classes of work from the Electrical Administrative Act of 1956: burglar alarms, telecommunications, and residential lawn sprinkling. Before that amendment, the law required that all residential and commercial electrical landscaping work be performed by a licensed electrical contractor. The amendment adopted in 1992 allowed unlicensed landscapers to install and repair residential lawn sprinkling equipment; however, the exemption did not apply to *commercial* lawn sprinkling equipment.

When landscaping businesses contract with commercial property owners to complete landscape plans, they sometimes must install lighting or irrigation systems. Under the current law a commercial electrical system of this sort must be installed and maintained by a licensed electrical contractor. Consequently the landscaping business must subcontract with a licensed electrical contractor to perform the work. If the work is performed by an unlicensed employee, then the local building inspector can issue a 'stop work order' for the commercial project. Recently, in compliance with the law, 'stop work orders' have been issued in Traverse City, Muskegon, and Delta Township near Lansing.

According to committee testimony, there are times when the electrical system that must be installed for the commercial irrigation or lighting project is neither complex nor unsafe. Indeed, the system may use the same low voltage residential equipment that can be installed without mishap by a careful person who need not be a licensed electrical contractor.

Legislation has been introduced to enable landscaping and irrigation businesses to install and maintain low-voltage irrigation and lighting systems, but to ensure that both commercial and residential

high voltage systems be installed and maintained by licensed electrical contractors.

#### ***THE CONTENT OF THE BILL:***

House Bill 5182 would amend the Electrical Administrative Act to specify that an electrical contractor's license would not be required when installing certain lower voltage lawn irrigation and landscape lighting systems.

Currently the Electrical Administrative Act specifies that a person cannot engage in the business of electrical contracting unless he or she has received an electrical contractor's license. The act also specifies 14 classes of work for which an electrical contractor's license is not required. For example, an electrical contractor's license is not required for the installation, maintenance, or servicing of *residential* lawn sprinkling equipment (regardless of voltage). House Bill 5182 would retain the 14 exemptions now included in the act. However, the bill would expand the exemption for residential lawn sprinkling to include residential and commercial lawn irrigation, but then would limit that expanded exemption to systems under 50 volts. Further, the bill would add a fifteenth exemption for landscape lighting under 50 volts.

Specifically, and under the bill, an electrical contractor's license would not be required in the execution of the following classes of work:

- the installation, maintenance, or servicing of residential lawn irrigation equipment, and of commercial lawn irrigation equipment, except any hard-wired connection more than 50 volts; and,
- the installation, maintenance, or servicing of low-voltage landscape systems and equipment, except any hard-wired connection more than 50 volts.

MCL 338.887

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**BACKGROUND INFORMATION:**

For further information about the legislative history of the Electrical Administrative Act (Public Act 217 of 1956), see the House Legislative Analysis Section's analysis of House Bill 5701 dated 8-26-92.

**FISCAL IMPLICATIONS:**

The House Fiscal Agency notes that there are no state or local fiscal impacts. (10-16-01)

**ARGUMENTS:*****For:***

According to committee testimony, there are times when the electrical system that must be installed for a commercial irrigation or lighting project is neither complex nor unsafe. Indeed, the system may use the same low voltage residential equipment that can be installed without mishap by a careful 'handy-man' who need not be a licensed electrical contractor.

***For:***

The employees of landscaping businesses and property irrigation companies cannot afford the time and expense that is necessary in order to become licensed as electrical contractors. Neither can small businesses such as those that do landscape work afford to subcontract with licensed electrical contractors when their landscape plans require the installation of lighting or irrigation. This legislation will allow unlicensed employees to install electrical equipment, as long as that equipment does not require a hard-wire connection having more than 50 volts.

***Against:***

The legislation is unwise because it could make the working conditions for employees less safe. Allowing unlicensed electrical workers to install electrical irrigation and lighting equipment could increase the likelihood of worker injuries and fire.

***Response:***

The bill would prohibit unlicensed workers from working in situations that require hard-wired connections having more than 50 volts. Historically, regulation of electrical work has focused on wiring used for lighting, heating, and power—that is, high-voltage, high-current wiring that involves the hazard of dangerous electric shock or overheating that could lead to fire. However, there are kinds of wiring that are so low-voltage and low-current (for example, the wiring used in telecommunications and other information systems) as not to require the protections

offered by a general electrician's license. Low voltage and low-current electrical work do not risk worker safety, and do not require close regulation by building inspectors.

**POSITIONS:**

The National Federation of Independent Business/Michigan supports the bill. (10-16-01)

The Michigan Irrigation Association supports the bill. (10-16-01)

The National Electrical Contractors Association-Michigan Chapter observes that the bill needs further clarification to ensure safe installation of these electrical systems. (10-16-01)

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.