

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5182 (Substitute H-2 as reported without amendment)

Sponsor: Representative Wayne Kuipers

House Committee: Employment Relations, Training and Safety

Senate Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 4-12-02

RATIONALE

The Electrical Administrative Act requires a person to be licensed in order to engage in the business of electrical contracting or to perform electrical wiring, unless an exception applies. Public Act 130 of 1992 exempted from the licensing requirements the installation, maintenance, or servicing of residential lawn sprinkling systems. Before the passage of Public Act 130, all residential and commercial electrical landscaping work had to be performed by a licensed electrical contractor. The 1992 revision allows landscapers who do not have an electrical contractor's license to install and repair residential lawn sprinkling equipment. That exemption, however, does not apply to installing, maintaining, or servicing commercial lawn sprinkling equipment.

When a landscaping business contracts with commercial property owners to complete landscape plans, the contractor sometimes must install lighting or irrigation systems. Under 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 were performed by an unlicensed employee, then the local building inspector could issue a stop-work order for the commercial project. Recently, in accordance with the law, stop-work orders reportedly have been issued in Traverse City, Muskegon, and Delta Township near Lansing.

Apparently, there are times when an electrical system installed for a commercial irrigation or lighting project is neither complex nor unsafe. Indeed, such a system might use the same low-voltage residential equipment that may be

installed by a person who need not be a licensed electrical contractor. It has been suggested that the licensing exemption be revised to enable landscaping and irrigation businesses to install and maintain both residential and commercial low-voltage irrigation and lighting systems, but that high-voltage systems be installed and maintained only by licensed electrical contractors.

CONTENT

The bill would amend the Electrical Administrative Act to include the installation, maintenance, or servicing of certain lawn irrigation and landscape lighting equipment in the classes of work for which an electrical contractor's license is not required under the Act.

The classes of work for which a license is not required currently include the installation, maintenance, or servicing of residential lawn sprinkling equipment. The bill would refer, instead, to the installation, maintenance, or servicing of listed residential and commercial lawn irrigation equipment, except any permanent wired connections exceeding 30 volts. In addition, an electrical contractor's license would not be required for the installation, maintenance, or servicing of listed landscape lighting systems and equipment, except any permanent wired connections exceeding 30 volts.

(In the electrical industry, "listed" refers to equipment that is listed by Underwriters Laboratories as meeting certain safety standards.)

MCL 338.887

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Current law allows the installation and maintenance of residential law sprinkling equipment without an electrical contractor's license, but commercial equipment may be installed only by a licensee. The electrical system for a commercial irrigation project, however, might use the same electrical equipment that legally may be installed on residential property by someone other than a licensed electrical contractor. Subcontracting with a licensed electrician to perform work on a commercial landscaping contract can be inconvenient and expensive for a landscaper, as well as the person hiring the landscaper. There is no reason why a landscaper should not be allowed to do the same work on commercial property that is statutorily permitted on residential property. By allowing this work under a commercial contract, the bill would alleviate an extra burden placed on landscapers when they work on commercial projects.

In addition, landscape lighting systems apparently use the same type of electrical equipment that is used in lawn irrigation systems. Allowing low-voltage lighting systems to be installed without an electrical contractor's license would be consistent with allowing the installation of low-voltage lawn sprinkler systems by someone other than an electrician.

Opposing Argument

The bill could make landscapers' working conditions unsafe. Allowing unlicensed workers to install electrical irrigation and lighting equipment could increase the potential for worker injuries and fire.

Response: Historically, the regulation of electrical work has focused on wiring used for high-voltage, high-current systems that involve the hazard of electrical shock or overheating that could lead to fire. There are, however, some types of wiring that are so low-voltage and low-current that they do not pose a great risk or require the expertise of a licensed electrical contractor to avoid danger (for example, wiring used in telecommunications and other information

systems). As the bill proposes, it would make more sense to distinguish between low-voltage systems and high-voltage systems in landscape lighting and irrigation, rather than between residential projects and commercial projects, for determining whether work should be performed by a licensed electrical contractor.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Elizabeth Pratt

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.