

SENATE BILL No. 1486

September 11, 2008, Introduced by Senators PRUSI, WHITMER, CHERRY, BRATER and OLSHOVE
and referred to the Committee on Economic Development and Regulatory Reform.

A bill to regulate certain activities involving fire sprinkler and fire suppression systems; to establish certain licensing and endorsement standards; to provide for certain powers and duties for certain state agencies; to create certain boards; to create a fund for certain purposes and to impose certain fees; and to provide for certain penalties and remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "fire
2 sprinkler regulatory act".

3 Sec. 3. As used in this act:

4 (a) "Apprentice" means a person who is working in a training
5 capacity to service or install special agent fire suppression
6 systems or fire extinguishing systems and who is studying in
7 accordance with a program approved by the bureau.

1 (b) "Apprentice fire sprinkler fitter permit" means a permit
2 issued to an apprentice sprinkler fitter.

3 (c) "Board" means the Michigan fire sprinkler board.

4 (d) "Bureau" means the bureau of fire services within the
5 department.

6 (e) "Contractor" means a person holding a Michigan fire
7 sprinkler contractor license.

8 (f) "Department" means the department of labor and economic
9 growth.

10 (g) "Endorsement" means a document, issued by the bureau, to
11 an individual who has met qualifications that authorizes the
12 individual to service or install fire alarm systems, special agent
13 fire suppression systems, or fire extinguishing systems.

14 (h) "Fire extinguishing system" means a fire sprinkler system
15 designed in accordance with nationally recognized standards that
16 consists of an assembly of piping or conduits that conveys water,
17 foam, or air with or without agents to dispersal openings or
18 devices to extinguish, control, or contain fire and that provides
19 protection from exposure to fire or the products of combustion.
20 Fire extinguishing system includes underground and overhead piping,
21 ponds, tanks, pumps, extra or special hazard applications, and
22 other related components or devices necessary for water supplies.

23 (i) "Fire sprinkler fitter" means an individual who works on
24 fire suppression systems.

25 (j) "Fund" means the fire sprinkler fitter fund created in
26 section 9.

27 (k) "Inspection" means the periodic examination of premises,

1 equipment, or procedures, or of a licensed or endorsed person or
2 entity, to determine whether the person's or entity's business or
3 profession is being conducted in a manner consistent with the
4 public health, safety, and welfare. Inspection includes the
5 inquiry, analysis, audit, or other pursuit of information, with
6 respect to a written complaint or other information before the
7 bureau, that is carried out for the purpose of assisting the bureau
8 in determining any of the following:

9 (i) Whether a person has violated a provision of law justifying
10 discipline against the person.

11 (ii) Whether a license should be granted or denied.

12 (iii) Whether the bureau should seek an injunction against
13 unlicensed practice.

14 (l) "Install" means the technical work that may be performed
15 only by an endorsed individual or an apprentice in the assembly of
16 a special agent fire suppression system or fire extinguishing
17 system but does not include the delivery of supplies or the off-
18 site cutting or threading of pipe. Install includes the following
19 tasks relative to the assembly of a special agent fire suppression
20 system or fire extinguishing system:

21 (i) Inspection of jobsites to determine the presence of
22 obstructions and to ascertain that holes will not cause structural
23 weaknesses.

24 (ii) A determination of the course or plan of installation.

25 (iii) Jobsite assembly and installation of metal or nonmetal
26 pipe fittings including, but not limited to, fittings made of
27 brass, copper, lead, glass, and plastic.

1 (iv) The joining of piping by any means, including pipes joined
2 by threaded, caulked, wiped, soldered, brazed, fused, or cemented
3 joints.

4 (v) The securing of a pipe to the structure by any means
5 including, but not limited to, clamps, brackets, hangers, and
6 welds.

7 (vi) The testing of the installed system for mechanical
8 malfunctions.

9 (m) "Journey fire sprinkler license" means a license issued to
10 a journey sprinkler fitter.

11 (n) "License" means the document issued by the bureau that
12 authorizes a person or entity to engage in the business of
13 servicing or installing special agent fire suppression systems or
14 fire extinguishing systems.

15 (o) "Registered fire sprinkler fitter apprenticeship program"
16 means a 5-year program of apprenticeship training with the United
17 States department of labor or a state apprentice council involving
18 at least 8,500 hours of documented practical experience in the
19 installation of fire protection equipment and at least 850 hours of
20 classroom, shop, or related instruction in the fire protection
21 trade.

22 (p) "Service", when referring to fire suppression systems,
23 means the maintenance and testing required to keep the protective
24 signaling, extinguishing, and suppression system and its component
25 parts in an operative condition at all times together with
26 replacement of the system, or its component parts, with listed or
27 approved parts when for any reason they become undependable,

1 defective, or inoperative.

2 (q) "Special agent fire suppression system" means an approved
3 system and components that require individual engineering in
4 accordance with manufacturer specifications and includes dry
5 chemical, carbon dioxide, halogenated, gaseous agent, foam, and wet
6 chemical systems. Special agent fire suppression system includes a
7 preengineered system but does not include a fire extinguishing
8 system.

9 Sec. 5. (1) An individual shall not engage in the business of
10 installing special agent fire suppression systems or fire
11 extinguishing systems unless holding a license issued by the
12 department in the appropriate endorsement.

13 (2) An individual shall obtain an endorsement for the
14 following services:

15 (a) Special agent fire suppression systems.

16 (b) Fire extinguishing systems.

17 (3) The license and any endorsement must be prominently
18 displayed at the business premises, and copies must be carried by
19 the person conducting each installation or servicing and must be
20 shown to anyone who requests to see the documents.

21 (4) The bureau shall enforce this act and may conduct
22 inspections regarding activities regulated under this act.

23 Sec. 7. (1) An application for a license and any endorsements
24 shall be made on a form prescribed by the bureau and accompanied by
25 the appropriate fee. The department shall issue a license only to
26 an individual. The department shall delineate licensure classes for
27 contractors, journey, and apprentice levels by rule promulgated

1 under the administrative procedures act of 1969, 1969 PA 306, MCL
2 24.201 to 24.328.

3 (2) The bureau shall issue a license and endorsement to an
4 applicant who submits a completed application, accompanied by the
5 appropriate fee, as well as satisfactory proof that the applicant
6 is insured to engage in the business covered by the license and any
7 endorsements.

8 (3) The department shall issue a license and endorsement for 3
9 years and shall issue a 1-year or 2-year license for an application
10 submitted after the due date for licenses and endorsements in the
11 particular license cycle. Licenses and endorsements shall be issued
12 on October 1 of each 3-year license cycle.

13 Sec. 9. (1) The fire sprinkler fitter fund is created as a
14 revolving fund in the state treasury. The state treasurer shall be
15 the custodian of the fund and may invest the money in the fund and
16 any surplus of the fund in investments as are in the best interests
17 of the fund. The department is considered the administrator of the
18 fund for purposes of auditing. Money in the fund at the close of
19 each fiscal year shall remain in the fund and shall not lapse to
20 the general fund. The state fire marshal shall supervise and
21 administer the fund. Fees received by the bureau and money
22 collected under this act shall be deposited in the fund and shall
23 be appropriated by the legislature for administration and
24 enforcement of this act and the operation of the bureau, including
25 indirect overhead expenses. The state treasurer shall notify the
26 state fire marshal and the legislature of interest credited and the
27 balance of the fund as of September 30 of each year.

1 (2) The department shall charge an application fee of \$20.00,
2 a 3-year license fee of \$150.00, and a 3-year fee of \$40.00 for
3 each endorsement.

4 (3) Beginning 5 years after the effective date of this act,
5 the state fire marshal, after notifying the chairperson of the
6 senate and house appropriations committee of his or her intent to
7 establish the fees after approval of the board, and following a
8 public hearing held by the board, shall establish reasonable fees
9 to be charged by the bureau for issuance of certificates of
10 acceptability, testing, and evaluation.

11 (4) Within 30 days after the setting of fees under subsection
12 (3), the state fire marshal shall report to the legislature
13 regarding the following:

14 (a) The factors considered in the fee changes, including, but
15 not limited to, the increase in the nature and cost of the services
16 and the presence, absence, or change of any state or federal
17 mandates related to the services.

18 (b) Specific cost increases, if any, related to specific
19 services and the method of determining that increased cost.

20 (c) The individuals with direct knowledge of the fee changes
21 who are available to answer questions regarding those changes.

22 Sec. 11. (1) There is created a Michigan fire sprinkler board
23 within the department. The board shall consist of 9 members
24 appointed by the governor with the advice and consent of the
25 senate.

26 (2) Except as otherwise provided for in this section, the
27 board shall have not less than 5 members who are licensed under

1 this act. The terms of the board members is 3 years, except that
2 the initial board shall have 3 members appointed for 1 year, 3
3 members appointed for 2 years, and 3 members appointed for 3 years.
4 In the case of the initial board and in order to retain their
5 membership, the 5 licensed members shall become licensed under this
6 act within 12 months after the appointment of the board.

7 (3) The board shall advise the department and the bureau on
8 matters of qualifications, examinations, standards of practice, and
9 disciplinary actions against licensees.

10 Sec. 13. (1) An individual seeking licensure shall meet the
11 following qualifications and testing standards:

12 (a) Completion of a bona fide government-registered fire
13 sprinkler fitter apprenticeship program that establishes specified
14 minimum requirements for on-the-job training and classroom and shop
15 instruction and is approved by the board and the bureau.

16 (b) Passage of a test acceptable to the board.

17 (2) Beginning the effective date of this act and until the
18 expiration of 12 months after the effective date, the department
19 shall issue a license and appropriate endorsement, without meeting
20 the training, education, and examination requirements imposed in
21 this act, to an individual meeting standards determined by the
22 bureau.

23 Sec. 15. The following individuals are exempt from the
24 licensing requirements imposed by this act:

25 (a) Individuals who engage only in the routine visual
26 inspection of fire alarm systems, special agent fire suppression
27 systems, or fire extinguishing systems owned by the person or

1 entity and installed on property under their control.

2 (b) An individual engaging in activity under any other license
3 that may be similar to activities regulated by this act.

4 Sec. 17. (1) Beginning the license cycle after the initial
5 license and endorsement and as a condition of renewal, an endorsee
6 shall obtain a minimum of 24 hours of continuing education per
7 license cycle and submit copies of continuing education
8 certificates with the application for renewal.

9 (2) The following continuing education programs may be
10 preapproved by the bureau for continuing education credit:

11 (a) Workshops, seminars, and educational conferences sponsored
12 by fire protection equipment manufacturers or trade associations.

13 (b) Courses in specialized programs approved or sponsored by
14 the bureau.

15 (c) Distance learning, video, or correspondence course work
16 approved by the bureau.

17 (e) Any continuing education which has been obtained in
18 another state that meets the continuing education standards imposed
19 in this state and is approved by the bureau.

20 (f) College or vocational school course work, approved by the
21 bureau, which is germane to the profession and contributes directly
22 to the professional competence of the endorsed individual, subject
23 to the following limitations:

24 (i) The endorsed individual must pass the course.

25 (ii) One semester credit shall equal 15 hours of continuing
26 education, and 1/4 credit shall equal 10 hours of continuing
27 education.

1 Sec. 19. (1) All work performed by an apprentice must be
2 subject to direct and task-specific instruction and supervision of
3 an endorsed individual.

4 (2) The bureau shall approve an apprenticeship program of a
5 licensee that is approved by any state that the bureau determines
6 to meet the requirements of the national apprenticeship act, 29 USC
7 50, and CFR sections 29.1-29.13.

8 (3) Once an apprenticeship program has been approved, the
9 licensee shall provide the bureau with a list of all apprentices
10 performing work for the licensee and the name of the endorsed
11 individual under whom each apprentice will be working. The licensee
12 shall provide the bureau with updates of such list no later than 30
13 days after any addition or subtraction of an apprentice from its
14 program.

15 Sec. 21. An individual holding a license or endorsement under
16 this act shall submit an application for renewal, accompanied by
17 the appropriate license and endorsement fee.

18 Sec. 23. (1) As a condition to the issuance of a license, the
19 licensee shall obtain and maintain in full force, and file with the
20 bureau, a full-term commercial general liability insurance policy
21 from an insurance company authorized to do business in this state
22 and submit verification of worker's compensation insurance.

23 (2) As a condition to the issuance of a license, an individual
24 engaging in the business of servicing fire extinguishers shall
25 obtain and maintain commercial general liability insurance with a
26 minimum limit per occurrence of \$500,000.00 that includes
27 premises/operations and products/completed operations coverage.

1 (3) As a condition to the issuance of a license, an individual
2 engaging in the business of selling, servicing, or installing fire
3 alarm systems, special agent fire suppression systems, or fire
4 extinguisher systems shall obtain and maintain commercial general
5 liability insurance with a minimum limit per occurrence of
6 \$1,000,000.00 that includes premises/operations and
7 products/completed operations coverage.

8 (4) Failure to maintain liability insurance required under
9 this section constitutes grounds for denial, suspension, or
10 revocation of a license.

11 (5) The department may revoke, suspend, or deny a license or
12 endorsement under this act after notice and an opportunity for a
13 hearing under the administrative procedures act of 1969, 1969 PA
14 306, MCL 24.201 to 24.328.

15 (6) In a hearing conducted under subsection (5) and in lieu of
16 a revocation, suspension, or denial of a license or endorsement,
17 the department may impose an administrative fine not to exceed
18 \$500.00 or issue an order containing any conditions or limitations
19 to the licensed or endorsed activity.

20 (7) This section does not prohibit the department or bureau
21 and any applicant, licensee, or endorsee from informally settling
22 any controversy before or after the filing of an administrative
23 complaint.

24 Sec. 25. A person engaged in activity regulated by this act
25 without a license and appropriate endorsement and without being
26 exempt from licensure under this act is guilty of a misdemeanor.

27 Sec. 27. The director of the department may promulgate rules

1 under the administrative procedures act of 1969, 1969 PA 306, MCL
2 24.201 to 24.328, for the purpose of administering and enforcing
3 this act.