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**BILL ANALYSIS**

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Senate Bill 142 (as introduced 1-29-09)

Sponsor: Senator Mark C. Jansen

Committee: Economic Development and Regulatory Reform

Date Completed: 5-6-09

CONTENT

The bill would amend the Electrical Administrative Act to do all of the following:

- **Allow the Electrical Administrative Board and the Department of Energy, Labor, and Economic Growth (DELEG) to issue a license, without an exam, to an electrician licensed in another state with equivalent licensing standards, if that state offered reciprocity.**
- **Require DELEG to issue a license, without an exam, to an electrician licensed in another state pursuant to a reciprocal agreement entered into under the bill.**
- **Require DELEG and the Board to inquire with all other states that license electricians about entering into a reciprocal agreement with Michigan for granting licenses, without an exam, to Michigan licenses.**
- **Allow DELEG to enter into a reciprocal agreement meeting standards specified in the bill.**
- **Require DELEG to report annually to the Legislature on licenses issued pursuant to a reciprocal agreement.**
- **Delete a requirement that the Board and DELEG issue a sign specialty license, without an exam, to a licensee in another state that meets or exceeds Michigan's standards.**

Specifically, the bill would authorize the Board and DELEG to license, without examination, applicants licensed under the laws of other states having requirements for licensing categories or classes of electricians that the Board determined were equivalent to Michigan's requirements, conditional upon that other state offering reciprocity. The Department would have to issue a license, without examination and pursuant to a reciprocal agreement executed by DELEG and the regulatory agency of another state, as authorized by the bill, to a person licensed under the law of that other state applying for licensure in Michigan.

Beginning on the bill's effective date, DELEG and the Board would have to make appropriate written or electronic inquiries to all states that license electricians in any or all of the categories or classes described in the Act regarding the execution of reciprocal agreements with Michigan for the granting of licenses, without examination and without further training or experience, to applicants holding a Michigan license. On a quarterly basis, DELEG would have to submit a written or electronic report to the standing committees and appropriations subcommittees of the Senate and House of Representatives concerned with occupational issues, detailing the efforts made by the Department in contacting other states regarding the execution of reciprocal agreements.

The Department could enter into a reciprocal agreement, which would have to contain provisions recommended by the Board and approved by DELEG, but would have to provide that the other state did at least the following:

- Issued an electrician identification card with an expiration date printed on it as well as any category or class limitation.
- Was available to verify the license status for enforcement purposes.
- Had disqualification, suspension, and revocation standards for licenses.
- Required applicants for licensure to submit to a criminal history record check pursuant to applicable state and Federal law.
- Required that the electrician possess a license in good standing from his or her home state.
- Allowed for unlimited or limited licensure, depending on the categories or classes for which applicants could be qualified under Michigan law and other state laws, including developing categories and classes in alternative and renewable energy systems.

Beginning on the effective date of any reciprocal agreement executed under the bill, DELEG would have to report annually by July 1 to the Senate and House standing committees and appropriation subcommittees concerned with occupational issues on the number of licenses issued to out-state applicants pursuant to each particular reciprocal agreement. The Department also would have to report any information in its possession regarding the number of licenses issued to Michigan residents in other states under a reciprocal agreement executed under the bill.

Under the Act, upon proper application and payment of the appropriate fees, Board and DELEG must issue a license without examination to a person desiring sign specialty licensure who is licensed, registered, or otherwise regulated in another state, if the Board determines that the standards in the other state meet or exceed the standards in the Act. The bill would delete this provision.

MCL 338.885 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would increase the administrative cost of the Bureau of Construction Codes within the Department of Energy, Labor, and Economic Growth by an unknown amount. The requirements in the bill to contact all states regarding the development of reciprocity agreements for licensees under the Electrical Administrative Act and to prepare quarterly and annual reports on the status of those agreements would require significant staff effort. Revenue to the Construction Code Fund would be reduced to the extent that applicants were able to achieve licensure under reciprocity agreements, avoiding examination fees. The Bureau of Construction Codes is supported by restricted revenue, primarily license and examination fees paid by members of regulated occupations into the Construction Code Fund.

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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.