

Legislative Analysis



HOME MONITORING SYSTEMS: EXEMPT PROVIDERS FROM LICENSING UNDER CERTAIN ACTS

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House Bill 4591

Sponsor: Rep. Aric Nesbitt

House Bill 4592

Sponsor: Rep. Bradford Jacobsen

Committee: Energy and Technology

Complete to 4-29-13

A SUMMARY OF HOUSE BILLS 4591 AND 4592 AS INTRODUCED 4-18-13

House Bill 4591 would exempt a licensed or registered security alarm system provider from licensure as an electrical contractor or electrician.

House Bill 4592 would exempt a licensed or registered security alarm system provider if installing or servicing a thermostat from state or local licensing as a mechanical contractor for heating and cooling systems or permit requirements.

House Bill 4591 would amend the Electrical Administrative Act (MCL 338.886 and 338.887), which regulates electrical contractors and related professions. Generally speaking, a person is prohibited from engaging in the business of electrical contracting unless licensed as an electrical contractor under the act or under a local ordinance that is at least as stringent as the act. The act provides an exemption from licensure for certain classes of work, such as minor repair work. In addition, the act prohibits a local ordinance from requiring the procurement of a license or permit to execute certain of those exempted classes of work.

First, the bill would revise one class of work currently exempted from licensure under the act [Section 7(3)(k)]. Then, the bill would add that revised class of work to the list for which a local ordinance cannot require the procurement of a license or permit.

Section 7(3)(k) revision. Currently, a license is not required under the act for the installation, maintenance, or servicing of burglar alarm systems within a building or structure. This provision would be eliminated and replaced with an exemption for work performed by a system provider that is registered under the Security Alarm Systems Act (added by Public Act 580 of 2012) or by a security alarm system contractor licensed under the Private Security Business and Security Alarm Act.

The exemption would apply to those registrants or licensees in connection with the installation, maintenance, replacement, or servicing of a security alarm system or a home monitoring system, and the installation, maintenance, replacement, or servicing of any

electrical wiring, equipment, or devices associated with that system. "Home monitoring system" is defined in the bill.

House Bill 4592 would amend the Forbes Mechanical Contractors Act (MCL 338.977 and 338.979). Under the act, individuals, businesses, and public entities are required to use a person licensed under state statutes or by local governmental units for certain construction and repairs regulated by the Stille-DeRossett-Hale Single State Construction Code Act, and the licensee must obtain a local permit to perform the construction and/or repairs.

The bill would create an exemption from the above requirements for a person who is registered as a system provider under Security Alarm Systems Act or licensed as a security alarm system contractor under the Private Security Business and Security Alarm Act in connection with the installation, maintenance, replacement, or servicing of a thermostat for a heating, ventilation, and air conditioning system or a hydronic heating and cooling system.

The bill would also prohibit a governmental subdivision from establishing or maintaining local licensing requirements for the work described above or from prohibiting a person registered as a system provider or licensed as security alarm system contractor as described above from engaging in work for which the person is licensed or registered.

FISCAL IMPACT:

House Bill 4591 would not have a significant fiscal impact on the state or local units of government as the Electrical Administrative Act, 1956 PA 217, currently exempts electrical licensure for the installation, maintenance, or servicing of burglar alarms and House Bill 4591 amends the Electrical Administrative Act by specifying that the work exempted from licensure is the installation, maintenance, replacement, or servicing of security alarm systems or home monitoring systems performed by licensees under the Private Security Business and Security Alarm Act, 1968 PA 330, or registrants under the Security Alarm Systems Act, 2012 PA 580.

House Bill 4592 would have a negative fiscal impact on the state and local units of government to the extent that it exempts licensees under the Private Security Business and Security Alarm Act, 1968 PA 330, and registrants under the Security Alarm Systems Act, 2012 PA 580, from state mechanical contractor licensure and local unit of government licensure or permitting in connection with the installation, maintenance, replacement, or servicing of a thermostat for a heating, ventilation, or air conditional system or a hydronic heating and cooling system.

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