



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 358 (Substitute S-1)
Sponsor: Senator Arlan Meekhof
Committee: Reforms, Restructuring and Reinventing

Date Completed: 9-10-13

CONTENT

The bill would amend the Electrical Administrative Act to exempt the following from the requirement to have an electrical contractor's license:

- **An independent power producer that installed, altered, or repaired electrical equipment, or electric wiring, in certain circumstances.**
- **An employee of a licensed mechanical contractor or plumbing contractor who performed work on control wiring circuits and electrical component parts in existing mechanical systems.**
- **An agent or employee of a manufacturing or mining operator who installed, altered, maintained, repaired, or renovated electrical wiring, if the operator employed a licensed master electrician responsible for code compliance and met other criteria.**

Exceptions for Power Producer & Contractor Employee

The Act generally prohibits an individual from executing electrical wiring, except in the following circumstances:

- The individual is licensed under the Act.
- The individual is employed by and working under the direction of a licensed electrical contractor.

The bill would expand some of the Act's exceptions to the licensure requirement.

The Act exempts an electrical energy supply or communication agency with regard to the installation, alteration, or repair of electrical equipment and its associated wiring installed on the premises of consumers or subscribers for use by that agency in the generation, transmission, distribution, or metering of electrical energy or for operating signals or transmitting intelligence.

The Act also exempts an electric light and power utility with regard to the installation, alteration, or repair of electric wiring for the generation and distribution of electric current, or the secondary distribution system up to and including the meters. The work must be an integral part of the system that is owned and operated by an electric light and power utility in rendering its duly authorized service.

The bill would include an independent power producer within these exceptions. "Independent power producer" would mean a person, other than an electric utility, that owns or operates a facility that generates electricity and sells electricity primarily at wholesale.

In addition, the Act exempts work that is performed by either a mechanical contractor who is licensed in any one of five limited contractor's license classifications under the Mechanical Contractors Act, or a plumbing contractor licensed under the State Plumbing Act. (The five limited contractor's license classifications include: 1) hydronic heating and cooling and process piping; 2) HVAC equipment; 3) refrigeration; 4) limited service, heating or refrigeration; and 5) unlimited service, heating or refrigeration.) The work generally must be performed on control wiring circuits and electrical component parts within existing mechanical systems defined in mechanical and plumbing codes under the Single State Construction Code Act. The bill would extend this exception to work by an employee of a mechanical contractor or plumbing contractor licensed under one of those other Acts.

(The Electrical Administrative Act also exempts the following classes of work from the licensure requirement:

- Minor repair work.
- Work involved in the manufacture of electric equipment, including tests and repairs.
- Work on equipment and its associated wiring with regard to communication systems owned or operated by a telephone or telegraph company.
- Work on electrical equipment by a homeowner in a single-family home or an accompanying outbuilding if the individual owns and occupies or will occupy the home, and that individual performs the work.
- Work on motion picture and theatrical equipment in a building that has approved facilities for entertainment or educational use as well as the necessary permanent wiring and outlets designed for that equipment, excluding work on any permanent wiring.
- Electrical wiring for work on a water well pump on a single-family dwelling by a registered pump installer.
- Work on security alarm systems in a building or structure.
- Work on lawn irrigation equipment or listed landscape lighting systems and equipment, except as to any permanent wired connections in excess of 30 volts.
- Work on electric signs and related wiring by an unlicensed individual under the direct supervision of a licensed sign specialist.
- Work on telecommunications equipment and related systems by a person primarily engaged in the telecommunications and related information systems industry, except a fire alarm system.)

Exception for Manufacturing or Mining Operations

The bill would make an exemption to the licensure requirement in the Electrical Administrative Act for work performed by an employee or agent of a person engaged in manufacturing or mining operations. Authorized work would include the installation, alteration, maintenance, repair, or renovation of electrical wiring, at or in a property, business location, plant, factory, or facility, if two conditions were met.

Under the first condition, the person engaged in manufacturing or mining operations would have to employ or engage a licensed master electrician whom the person designated as responsible for all of the following at the property, business location, plant, factory, or facility:

- Code compliance.

- Obtaining any permits required for any installation, alteration, maintenance, repair, or renovation of electrical wiring.
- Recording the applicable hours worked by employees engaged in an apprenticeship program.

The second condition would require the person engaged in manufacturing or mining operations to notify the Department of Licensing and Regulatory Affairs of the identity of the licensed master electrician designated as responsible for code compliance.

The notice would have to be in writing and include the names, phone numbers, business addresses, and signatures of both the designated licensed master electrician, and the person engaged in manufacturing or mining operations or the individual authorized to sign on that person's behalf. If the person designated a different licensed master electrician as responsible for code compliance, the person would have to give the Department written notice including that electrician's name, phone number, business address, and signature.

If a person designated a licensed master electrician as responsible for code compliance, and that electrician ceased to be responsible for code compliance on behalf of the person, the person or electrician would have to notify the Department in writing within 60 days.

The Department would have to keep a copy in its records of each notice it received under these provisions.

MCL 338.887

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

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

Fiscal Analyst: Josh Sefton

S1314\S358sa

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.