

Legislative Analysis



PERMIT NOT REQUIRED FOR PROVIDER TO INSTALL BUSINESS MONITORING SYSTEM

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House Bill 4654 (reported from committee as H-1)

Sponsor: Rep. Michele Hoytenga

(Enacted as Public Act 125 of 2017)

House Bill 4655 (reported from committee as H-1)

Sponsor: Rep. Beth Griffin

(Enacted as Public Act 126 of 2017)

Committee: Communications and Technology
Complete to 6-12-17

BRIEF SUMMARY: Each bill would specify that a permit is not required to install a business monitoring system, and each would add a definition of "business monitoring system" as follows:

A device or an assembly of equipment and devices, less than 50 volts, that allows a business to remotely monitor its business premises through audio, video, or sensor detection systems. It does not include a fire alarm system or a life safety system designed to protect and evacuate building occupants in the event of emergencies such as fire, smoke, or power outages.

FISCAL IMPACT: The bill does not appear to have any significant impact on the Department of Licensing and Regulatory Affairs.

THE APPARENT PROBLEM:

Setting up a small security camera system for a small business is low risk for injury and does not require complicated wiring. As such, the bills' sponsors believe that removing the barriers for a contractor to install such a system without a special permit is common sense. Additionally, installation of a home monitoring system, which consists of the same or very similar voltage and setup, is already exempt from needing a permit to install.

THE CONTENT OF THE BILL:

House Bill 4654 would amend the Skilled Trades Regulation Act, which establishes uniform provisions relating to the licensing of various occupations.

House Bill 5655 would amend the Single State Construction Code Act.

The Skilled Trades Regulation Act (HB 4654) states that it does not limit the power of a municipality to enact an ordinance to provide for licensing of electrical or specialty contractors or journeyman electricians, sign specialists, or fire alarm specialty technicians. However, the act currently does prohibit an ordinance from requiring the procurement of a permit by a provider to install, maintain, replace, or service any electrical wiring,

equipment, or devices associated with a home monitoring system. HB 4654 would add "business monitoring system" as another prohibition. (MCL 339.5733)

The Single State Construction Code Act (HB 4655) currently states that a permit is not required for the installation, maintenance, replacement, or servicing of any electrical wiring, equipment, or devices related to or associated with a home monitoring system if performed by a provider. HB 4655 would include "business monitoring system" to this list. (MCL 125.1528a)

ARGUMENTS:

For:

Installing a home monitoring system is already exempt from certain permit requirements. Because most business monitoring systems require the same relatively simple setup as a home monitoring system, supporters of the bill believe that it makes sense to also exempt the same kind systems for businesses.

Against:

Critics of the bills were concerned with the lack of definition for voltage requirements of a business monitoring system, as large businesses could still fall under the definition yet require large security systems that would alter the electrical wiring. If a system of this scale required an alteration of the wiring, then a permit should be required to ensure proper installation and liability.

Response:

This concern was satisfied with the addition of "less than 50 volts," which would effectively require a permit if the business monitoring system was greater than 50 volts. Some concern still exists, though, that the bills need to add the qualifier "operating at," so as to make the provision read, "operating at less than 50 volts." This could identify even more clearly the voltage requirements of a security system.

POSITIONS:

A representative from the Department of Licensing and Regulatory Affairs indicated support for the bills. (6-6-17)

A representative from the Michigan Chamber of Commerce indicated support for the bills. (5-30-17)

A representative from Comcast indicated support for the bills. (5-30-17)

A representative from the National Federation of Independent Business indicated support for the bills. (5-30-17)

A representative from the Michigan Cable Telecommunication Association testified in support of the bills. (5-30-17)

A representative from the Michigan Chapter of National Electrical Contractors Association spoke in opposition to the bills as introduced (5-30-17), but indicated support for the bills as substituted. (6-6-17)

A representative from the International Brotherhood of Electrical Workers, Michigan State Conference, indicated neutrality on the bills. (5-30-17 and 6-6-17)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.