



Senate Fiscal Agency
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Senate Bill 895 (Substitute S-2 as passed by the Senate)
Sponsor: Senator John Cherry
Committee: Labor

Date Completed: 7-24-24

RATIONALE

The bill would reduce the jobsite ratio of master electricians or electrical journeymen to registered apprentices from one to three to one to one. According to testimony before the Senate Committee on Labor, many electricians are not being adequately supervised or trained under the current one to three ratio. The bill would help make Michigan's registered apprentices better qualified to perform electrical work.

CONTENT

The bill would amend Article 7 (Electricians and Electrical Contractors) of the Skilled Trades Regulation Act to do the following:

- Modify the jobsite ratio for electrical journeymen or master electricians to registered apprentices from one to three to one to one.**
- Prescribe administrative fines for violating the one-to-one ratio described above and require the Department of Licensing and Regulatory Affairs (LARA) to pay any fines collected to the enforcing agency that discovered the violation.**
- Establish the joint and respective responsibility of an electrical contractor and the master electrician who was responsible for the contractor's Electrical Code compliance in the supervision or control of all electrical wiring operations necessary to secure compliance with Article 7.**
- If an electrical contractor's individual responsible for Electrical Code compliance left the contractor's employment, require the contractor to hire another individual qualified to be responsible for Code compliance within 30 days.**

Definitions

Under the Act, "fire alarm specialty apprentice technician" means an individual other than a fire alarm contractor or a fire alarm specialty technician who is engaged in learning about and assisting in the installation or alteration of fire alarm system wiring and equipment under the direct, personal supervision of a fire alarm specialty technician.

The Act defines "apprentice electrician" as an individual other than an electrical contractor, master electrician, or electrical journeyman, who is engaged in learning about and assisting in the installation or alteration of electrical wiring and equipment under the direct, personal supervision of an electrical journeyman or master electrician.

The bill would modify the definitions to change the requirement of "personal supervision" to "on-site, in-person supervision".

Master Electrician's Responsibility

Currently, LARA must issue an electrical contractor's license to a person that meets the

application and licensure requirements described in Article 2 (Issuance of Licenses) and either of the following:

- Is an individual who holds a master electrician's license.
- Has at least one full-time employee who is a master electrician, resides in Michigan, and is actively in charge of and responsible for Michigan Electrical Code compliance of all installations of electrical wiring and equipment.

Under the bill, if an electrical contractor's license were issued to a person that had at least one full-time employee who was a master electrician, resided in Michigan, and was actively in charge of and responsible for Michigan Electrical Code compliance of all installations of electrical wiring and equipment, the electrical contractor and the master electrician employed by the electrical contractor would be jointly and severally responsible for the supervision or control of all electrical wiring operations necessary to secure compliance with Article 7, the rules promulgated under Article 7, and all other laws and rules related to the installation of electrical wiring and equipment.

Additionally, if the master electrician described above ceased to be employed by the electrical contractor, the electrical contractor would have to employ another master electrician to be actively in charge of and responsible for Michigan Electrical Code compliance of all installations of electrical wiring and equipment within 30 days after the end of the master electrician's employment. The electrical contractor would have to notify LARA in writing of the change in master electricians.

Ratio of Electrician to Apprentice

The Act requires the ratio of electrical journeymen or master electricians to registered apprentice electricians on a jobsite to be one electrical journeyman or master electrician to not more than three registered apprentice electricians. The bill would require the ratio to be one journeyman or master electrician to not more than one registered apprentice electrician.

Penalties for Violation of Ratio

Under the bill, either an electrical contractor or a jointly and severally responsible pair of an electrical contractor and master electrician who violated the ratio prescribed above would be subject to the following punishments:

- For a first violation, a \$5,000 administrative fine.
- For a second violation, a \$10,000 administrative fine.
- For a third violation, a suspension of the individual's master electrician licensure for at least 90 days; after 90 days, the former master electrician could have the license reinstated if the former master electrician passed the appropriate licensing examination.

The bill would require LARA to pay any money collected for an administrative fine to the enforcing agency that discovered the violation that resulted in the administrative fine. Additionally, if LARA issued an order for a violation, LARA would be entitled to actual costs and attorney fees related to the investigation and adjudication of the violation.

MCL 339.5701 et al.

BACKGROUND

The provisions in Senate Bill 740 and Senate Bill 895 were originally presented in the same bill because of a similar interests in establishing and modifying jobsite ratios in the plumbing

and electrical sectors; however, the provisions of Senate Bill 740 regarding electrical work were deleted and re-introduced in Senate Bill 895.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill would establish joint and respective responsibility for electrical contractors and masters of record for compliance with the Electrical Code. According to testimony before the Senate Committee on Labor, this would resolve an issue that the Electrical Administrative Board has witnessed many times in recent years in which apprentices are unknowingly not registered with the State. Under Michigan law, an individual looking to apply for an electrical journeyman's license must register as an apprentice with the State and obtain 8,000 hours of work over four years in electrical construction, maintenance of buildings, or electrical wiring or equipment under the direct supervision of an electrical journeyman or master electrician.¹ Unregistered apprentices' hours do not count toward an electrical journeyman's license unless they can get a letter from their supervisor certifying their hours. Reportedly, supervisors are often unwilling to write this certification for their apprentices, causing apprentices to work unnecessary hours as an apprentice or leave electrical work altogether. When a registered apprentice's hours are not recorded, the apprentice can bring the pay stubs verifying their hours of work to the Board, and the Board can investigate in a more thorough capacity. Establishing joint and respective responsibility for electrical contractors and masters of record would create accountability to ensure that apprentices were registered as such and received credit for hours worked toward the goal of becoming an electrical journeyman.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have a positive fiscal impact on State government. The administrative fines collected would be paid to the enforcing agency that discovered the violation, but the increase in revenue from fines would depend on the number of violations.

Fiscal Analyst: Nathan Leaman

¹ MCL 339.5715

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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.