

Legislative Analysis



ELECTRICIAN FEES

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4844 (Substitute H-3)

Sponsor: Rep. Mark Meadows

Committee: Appropriations

Complete to 12-5-08

A SUMMARY OF HOUSE BILL 4844 AS PASSED BY THE HOUSE 12-4-08

The bill would amend the Electrical Administrative Act, 1956 PA 217, MCL 338.833, to increase various fees for professional electricians, as shown in the chart below.

License	Current Law	HB 4844	Last Fee Revision
Master Electrician			
- Examination Fee	\$25.00	\$100.00	Added with 1989 PA 104
- Initial License Fee	\$25.00	\$50.00	Increased from \$15 with 1982 PA 431
- Renewal License Fee (annually)	\$25.00	\$50.00	Increased from \$15 with 1982 PA 431
Electrical Contractor			
- Examination Fee	\$25.00	\$100.00	Added with 1990 PA 246
- Initial License	\$200.00	\$300.00	Decreased from \$75/yr with 1997 PA 120
- Renewal License (triennially)	\$200.00	\$300.00	Decreased from \$75/yr with 1997 PA 120
Electrical Journeyman			
- Examination Fee	\$25.00	\$100.00	Added with 1989 PA 104
- Initial License	\$20.00	\$40.00	Increased from \$15 with 1989 PA 104
- Renewal License (annually)	\$20.00	\$40.00	Increased from \$15 with 1989 PA 104
Fire Alarm Contractor			
- Examination Fee	\$25.00	\$100.00	Added with 1992 PA 130
- Initial License	\$200.00	\$300.00	Decreased from \$75/yr with 1997 PA 119
- Renewal License (triennially)	\$200.00	\$300.00	Decreased from \$75/yr with 1997 PA 119
Fire Alarm Specialty Technician			
- Examination Fee	\$25.00	\$100.00	Added with 1992 PA 130
- Initial License	\$25.00	\$50.00	Added with 1992 PA 130
- Renewal License (annually)	\$25.00	\$50.00	Added with 1992 PA 130
Sign Specialty Contractor			
- Examination Fee	\$25.00	\$100.00	Added with 1992 PA 130
- Initial License	\$120.00	\$200.00	Added with 1992 PA 130 as \$40/yr
- Renewal License (triennially)	\$120.00	\$200.00	Added with 1992 PA 130 as \$40/yr

License	Current Law	HB 4844	Last Fee Revision
Sign Specialist			
- Examination Fee	\$25.00	\$100.00	Added with 1992 PA 130
- Initial License	\$20.00	\$40.00	Added with 1992 PA 130
- Renewal License (annually)	\$20.00	\$40.00	Added with 1992 PA 130
Apprentice Electrician			
- Initial Registration	\$5.00	\$15.00	Added with 1990 PA 246
- Renewal Registration (annually)	\$10.00	\$15.00	Added with 1990 PA 246
Apprentice Fire Alarm Specialty Tech.			
- Initial Registration	\$5.00	\$15.00	Added with 1992 PA 130
- Renewal Registration (annually)	\$10.00	\$15.00	Added with 1992 PA 130

The bill further provides that the fees would be subject to periodic adjustment (increase or decrease) by the Department of Labor and Economic Growth, based on annual percentage changes in the salaries and wages of the department's classified workforce. Each year, the department would calculate that percentage increase and multiply that amount by the amount of each fee established in the bill. If the cumulative amount calculated equates to an increase of at least 10% for the fee assessed since the most recent fee increase, the fee would increase by that amount. If the cumulative amount is less than 10% the fee would not increase. For example, if the classified salaries and wages increase by 2% for five consecutive years, the cumulative increase in salaries and wages after five years would be 10.0%. (This cumulative amount is just a straight summation of the percentage increases, rather than compounding the increases. For example, the if increases were compounded, the cumulative increase after the fifth year would be 10.4%) The fees under the bill would increase by 10.0% in that fifth year. In prior years, there would be not a fee increase. The chart below provides an example for the electrical journeyman license fee (\$40):

	S&W Increase	Cumulative Increase	Fee x Cumulative Increase	Actual Fee
Year 1	2.0%	2.0%	\$40.80	\$40.00
Year 2	2.0%	4.0%	\$41.60	\$40.00
Year 3	2.0%	6.0%	\$42.40	\$40.00
Year 4	2.0%	8.0%	\$43.20	\$40.00
Year 5	2.0%	10.0%	\$44.00	\$44.00

The bill provides that the department would have to notify the State Budget Office, the Legislature, and the legislative fiscal agencies of the fee schedule under the act, the amounts amount calculated, and the amount of the fee increase, if any. The legislature would have 90 days to adopt a resolution rejecting the fee increase.

FISCAL IMPACT:

The bill would increase Construction Code Fund revenue by approximately \$214,700 in Fiscal Year 2008-09, and by \$1.4 million in Fiscal Year 2009-10.

Fiscal Analyst: Mark Wolf

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