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

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 119 (Substitute S-1 as reported)

Sponsor: Senator Mike Rogers

Committee: Human Resources, Labor and Veterans Affairs

CONTENT

The bill would amend the Electrical Administrative Act to specify that beginning January 1, 1998, the license for an electrical contractor, fire alarm contractor, and sign specialty contractor would expire December 31, 2001, and on December 31 every third year thereafter. The license for an electrical contractor, fire alarm contractor, and sign specialty contractor would be renewable not later than March 1, 2001, and on March 1 every third year thereafter upon application and payment of \$200 by electrical contractors and fire alarm contractors and application and payment of \$120 by sign specialty contractors.

(Currently, the initial or renewal fee for an electrical contractor's license or a fire alarm contractor's license is \$75 per year. The initial or renewal license fee for a sign specialty contractor is \$40 per year.)

The bill also specifies that after March 1 of the renewal year in the case of electrical contractors, fire alarm contractors, and sign specialty contractors, a license not renewed would be void and could be reinstated only upon application for reinstatement and payment of the appropriate license fee for the appropriate class. Currently, a license not renewed annually is void.

MCL 338.883

Legislative Analyst: L. Burghardt

FISCAL IMPACT

Senate Bills 118 (S-1), 119 (S-1), and 120 (S-1) would affect the licenses issued to electricians and mechanical contractors, fire alarm contractors, sign specialty contractors, and master plumbers by extending the licensing period from one year to three years. The renewal fees attributable to all of the licenses, except sign specialty contractors, also would be changed as a result of this extension from \$75 per year to \$200 for three years. According to the Department, this change in the fee structure actually would reduce the revenues into the Construction Code Division by \$25 per license or approximately \$375,000 annually, but the extended license period would reduce the administrative costs for this division as licensing paperwork would be processed less frequently. Therefore, there would be no net fiscal impact. Renewal fees for sign specialty contractors would not be reduced as they are currently \$40 for one year and would be \$120 for three years.

Date Completed: 2-10-97

Fiscal Analyst: M. Tyszkiewicz