

- SUBJECT:** Requiring state licensing and regulation of certain electricians
- COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended
- VOTE:** 5 ayes — Hamilton, Raymond, Driver, Goolsby, Homer  
0 nays  
4 absent — Flores, Eissler, D. Jones, Wise
- WITNESSES:** For — Keith Bell, Independent Electrical Contractors of Texas and Intex Electrical Contractors; David Caraway, Robert Caraway Comfortable Homes; Phillip J. Doubek, Sr.; Jerry Hudgeons, Total Electrical Service and Supply Co.; Joe G. Martin, Independent Electrical Contractors of Texas; Anthony P. Merritt, Texas State Association of Electrical Workers; Robert Priest, Local Union 716 International Brotherhood of Electrical Workers; John Schwartz, Texas Turf Irrigation Association; (*Registered, but did not testify:*) Randy Jennings; Carroll Lee Pruitt, International Code Council
- Against — Patrick Austin, Aus-Tex Electric; Michael N. Ber; Karl B. Biggs; William C. Buchanan; Ben Carlisle; Douglas R. Childs; A.T. Tommy Dean; Edward “ET” Dickerson; Manuel E. Dobbs; Eliot Doucet, Admiralty Electrical Services; Mitchell James Hobbs; Billy Kahn; B.J. Lee; Dennis Marshall, TAG Electric Co.; John Platou; Michael D. Sims, San Jacinto College; Dennis Wagner; David Wilson, Texas Electric Safety Association; (*Registered, but did not testify:*) James DeRouen; Leon Myers
- On — Steve Brown, Total Electrical Service and Supply Co.; William H. Kuntz, Jr., Texas Department of Licensing and Regulation; Stephen Pape, Texas Air Conditioning Contractors Association; Art Surette, I&ES
- BACKGROUND:** Licensing and regulation of electrical work currently is a local responsibility in Texas. Some municipalities and regions have licensing programs for electricians, while others do not.

DIGEST:

CSHB 1487 would enact the Texas Electrical Safety and Licensing Act, creating a state license for six classes of electricians and two classes of contractors and adopting national standards for electrical work in Texas. It would create an appointed state advisory board and would give oversight and enforcement responsibility to the Texas Department of Licensing and Regulation (TDLR). It would create administrative and criminal penalties for noncompliance and a grandfather clause to allow experienced electricians to qualify for the state license without sitting for an exam.

**Master electricians and master sign electricians** would have to complete at least 12,000 hours of on-the-job training under supervision of a master electrician or master sign electrician, as well as passing an exam. To qualify for a grandfathered license, he or she would have to submit an application by June 1, 2004. In an area where a regional or municipal licensing program existed, he or she also would have to have held a municipal or regional license for at least one year. To qualify for the grandfathered license in an area where a regional or municipal license did not exist, he or she would have to have completed at least 20,000 hours of on-the job training under the supervision of a master electrician or master sign electrician. A master electrician or master sign electrician could be assigned to only one electrical contractor, unless he or she owned more than 50 percent of the electrical contracting business.

**Journeyman electricians and journeyman sign electricians** would have to have at least 8,000 hours of on-the-job training under supervision of a master electrician or master sign electrician and would have to pass the appropriate exam. To qualify for a grandfathered license, he or she would have to submit an application by June 1, 2004, and would have to have completed 12,000 hours of supervised on-the job training, held a municipal or regional license for at least a year, or graduated from an electrical apprenticeship program consisting of at least 576 hours of job-related education and 8,000 hours of on-the-job training.

**Residential wiremen** would have to have at least 4,000 hours of on-the-job training under supervision of a master electrician or residential wireman and pass a residential wireman exam. To qualify for a grandfathered license, residential wiremen would have to submit an application by June 1, 2004, and have completed 8,000 hours of supervised on-the job training, held a

municipal or regional license for at least a year, or graduated from a residential wireman apprenticeship program consisting of at least 288 hours of job-related education and 4,000 hours of on-the-job training.

**Maintenance electricians** would have to have at least 8,000 hours of on-the-job training under supervision of a master electrician and pass a maintenance electrician exam. To qualify for a grandfathered license, maintenance electricians would have to submit an application by June 1, 2004, and have completed 12,000 hours of supervised on-the job training, held a municipal or regional license for at least a year, or graduated from an electrical maintenance apprenticeship program consisting of at least 576 hours of job-related education and 8,000 hours of on-the-job training.

**Electrical contractors** would have to hold a state license as a master electrician or employ a state-licensed master electrician, establish proof of financial responsibility, and maintain workers' compensation coverage for employees. **Electrical sign contractors** would have to hold a state license as a master sign electrician or employ a state-licensed master sign electrician, establish proof of financial responsibility, and maintain workers' compensation coverage for employees.

An electrical apprentice would have to be at least 16 years old and engaged in a process of learning from and assisting a licensed master electrician.

**Advisory board.** The Electrical and Safety Licensing Advisory Board would have nine members serving staggered six-year terms, appointed by the presiding officer of the Texas Commission of Licensing and Regulation. The board would have an appointed presiding officer, would have to meet at least twice a year, and would be eligible for reimbursement of expenses. The board would have to include three master electricians, three journeyman electricians, and three public members. The board would have to include two members of a nonunion statewide association, three members of a labor organization, and one member not affiliated with either. The commission also could appoint an electrical engineer or an electrical inspector as public members.

**Standards.** TDLR would have to establish rules for financial responsibility of electrical contractors. Every three years, it would adopt the updated National Electrical Code as the state's electrical code. TDLR would have to employ an

electrical occupations and code specialist to oversee the electrical licensing and safety program. Rules for license applications would have to be adopted by March 1, 2004.

**Municipal or regional regulation.** Municipalities or regions could regulate electricians by enacting local ordinances requiring inspections, offering exams, issuing municipal or regional licenses, or collecting permit fees. If a person held a state license and was working within the scope of that license, the municipality could not require a local exam, but it could request that the state suspend a person's state license for just cause. A municipality also could adopt local amendments to the National Electrical Code and could administer and enforce the code. Municipal and regional licenses only would be valid in the municipality in which they were issued.

**Reciprocity.** TDLR would have to establish reciprocity agreements with other states that had substantially equivalent standards. Nonresident licenses could be awarded to applicants who held a license in another state with a reciprocity agreement.

**Enforcement.** The TDLR executive director could impose an administrative penalty on a state-licensed electrician for any violation of the act but would have to provide an opportunity for a hearing. The executive director could issue a cease-and-desist order, and the attorney general or executive director could institute an action for an injunction or a civil penalty. A person who performed electrical work without a license or employed an unlicensed electrician would be subject to a criminal penalty. An offense would be a Class C misdemeanor, punishable by a maximum fine of \$500.

**Examinations.** Exams would be conducted at locations throughout the state. TDLR would have to notify examinees of their results within 30 days of the exam, or, if contracting out the exam to a national testing service, within 14 days of TDLR's receipt of the results.

**License renewal and continuing education.** Licenses would expire annually on December 31 unless other arrangements were made to stagger license terms. Expired licenses could be renewed with a prorated late fee, unless the license had been expired for longer than two years, in which case the person would have to retake the exam and apply again. The license holder would

have to complete four hours of approved continuing education annually in order to renew his or her license. Rules for renewal of licenses would have to be adopted by January 1, 2005.

**Exemptions.** The bill would not apply to installation of electrical equipment:

- in ships, watercraft, railway, aircraft, or motor vehicles other than a mobile home or recreational vehicle;
- underground in a mine and in certain mining machinery;
- for generation, transformation, transmission, or distribution of power used to operate railway rolling stock or signaling purposes;
- for communications equipment provided by a telecommunications provider; or
- under the exclusive control of an electric utility or cooperative located in a utility building, on utility property, on public property, or outdoors by established rights on private property.

Exceptions would apply to various occupations or businesses that perform minor electrical work in the scope of their jobs or business, such as private building maintenance workers, petrochemical plant workers, or licensed air conditioning and refrigeration contractors. Natural gas utilities would be exempt, as would installers of irrigation control systems.

**Standard provisions.** The bill would include standard TDLR occupational licensing provisions regarding board personnel, board powers and duties, collection of fees, application requirements, license renewal, continuing education, and license denial and disciplinary actions.

The bill would take effect September 1, 2003. Electricians regulated under the bill would have to have a license and would be subject to criminal penalties for practicing without a license after September 1, 2004.

**SUPPORTERS  
SAY:**

CSHB 1487 would protect Texans' life, health, and property by setting statewide, enforceable standards for electrical work. In many areas of the state, there are no standards or regulations and no mechanisms for dealing with poor electrical work. This bill would improve the quality of electrical work by establishing the National Electrical Code as the state standard. It would require all people working in electrical construction to be properly

trained and licensed and would require continuing education for license renewal.

Electrical work is a dangerous profession. Electrocutation is the fifth leading cause of accidental death in the United States. Two hundred people are electrocuted in their homes each year, and one person is electrocuted in the workplace every 36 hours. If the state regulates people who shampoo hair, it should regulate people who wire homes and office buildings to ensure that this work is done safely.

CSHB 1487 would not expand the scope of practice of any occupations in Texas, nor would it violate other licensing acts. It simply would protect the public safety by creating electrical standards where none existed and by strengthening enforcement of electrical standards throughout the state.

The bill would allow local governments to set more stringent standards and continue performing inspections. A master electrician who held a state license still would have to abide by all local standards, permits, and inspections. Unqualified electricians would not be allowed to work in Houston or anywhere else in the state. Also, the bill would require every potential licensee to have extensive experience and training requirements verified by a master electrician before receiving a license under the grandfather provision.

Texans live in a global economy with a highly mobile population. For journeymen electricians to work steadily, they often must travel from job to job. This requires them to take a test and be licensed in every municipality and incorporated area of Texas. Some electricians have acquired as many as 60 licenses simply to work in Texas. A statewide license would alleviate the burden on electricians who move around the state to stay employed, and it would strip away layers of unnecessary bureaucracy.

The reciprocity agreement would help electricians who lived near the borders of New Mexico, Arkansas, Louisiana, and Oklahoma. Currently, electricians from these other states can come and work in unincorporated areas of Texas with no special requirements, but because Texas has no statewide license with a reciprocity agreement, Texas electricians cannot do the same, even if the work is only 20 miles away.

CSHB 1487 would enhance enforcement significantly. The TDLR executive director could impose administrative penalties and issue cease-and-desist orders. The attorney general or the executive director could institute action for injunction or civil penalty. TDLR has regional offices throughout the state to investigate complaints and violations. By creating a statewide enforcement authority, the state could track bad actors from town to town, eliminating the chances that an irresponsible electrician could avoid the consequences of dishonest business dealings or unsafe electrical practices simply by keeping on the move.

The bill would protect licensees and ensure professional representation at the state level by providing a balance of union and independent electricians on the advisory board. A licensed electrical engineer or an electrical inspector also could be appointed as a public member of the advisory board. The bill would not grant a heavier representation to union members, nor would it be a vehicle for union organizing.

TDLR is the state's preferred occupational and professional licensing agency and would have the expertise to administer the act in an effective and efficient manner. The advisory board would provide advice and recommendations to the department on technical matters, including exams, licensing standards, electrical code requirements, and continuing education. Also, TDLR would have to hire an electrical occupations and code specialist to oversee the electrical licensing and safety program.

Union and independent electricians spent 15 months discussing and developing the initial draft of this legislation. For the first time in 25 years, both sides sat at a common negotiating table talking about shared goals and standards for licensing in the state. Since then, every time an amendment has been brought forth, the author has addressed those concerns. CSHB 1487 is supported by 400 contractors and 15,000 electricians of the Independent Electrical Contractors of Texas and by 22,000 union electricians of the Texas International Brotherhood of Electrical Workers.

**OPPONENTS  
SAY:**

Licensing and regulation of electricians is a local issue and should not be performed by the state. Inspections and permits for electrical work are done at the local level, so it makes sense to keep licensing authority local too.

Not all cities are the same, nor do they require the same level of expertise. An electrician from an unincorporated, unregulated area would be underqualified to work in a major metropolitan area. For example, Houston has the state's most stringent licensing requirements for electricians. The Houston area has petrochemical facilities that must be explosion-proof, 70-story office towers, and medical complexes that need special backup generators in case of emergencies. CSHB 1487 could allow a chicken-coop wirer from rural Texas to pass a state exam and begin wiring a hospital or petrochemical plant in Houston. One size does not fit all, and in some cases, it creates a serious safety issue. By compromising local trade standards, the state also would compromise the safety of its citizens.

CSHB 1487 would lower standards for the electrical trade in Texas. By establishing reciprocity agreements with 41 other states, it would amount to a national licensing bill. Texans would have no guarantee of whether out-of-state electricians were qualified to practice in Texas. Electricians who could not pass certain local licensing standards would get a free ticket to practice in Texas simply by passing the easier state-level exam. Also, the bill's overly broad grandfather clause would allow many unqualified people to become state-licensed electricians without sitting for exams.

Houston, because of its difficult licensing standards, has only about 700 qualified master electricians. In case of problems with an electrical contract, the city of Houston revokes the electrician's license. When the city of Dallas relaxed its standards and began to take electricians who could pass a national test, an influx of fly-by-night electricians came to town who did inadequate work and left town with money in their pockets. The issuance of statewide electrician licenses would lower standards in Houston and create more work for the city's chief electrical inspector, who already has established trusted relationships with the city's contractors. With the thousands of new electrical contractors who would come to Houston under this bill, the city's inspection department would be overburdened reviewing local permits with new electricians whom it could not trust.

The advisory board would represent unions too heavily. The union controls only about 15 percent of electrical work in Texas, yet it would have three seats on the board and an opportunity for three more through the public-member seats. Since Colorado established state licensing standards, that

state's licensing board has been taken over by the union. Also, HB 1487 as filed would have required an independent agency and board to regulate licensing standards, whereas the committee substitute would move that authority to a state bureaucracy that would not be qualified to oversee electricians' qualifications.

CSHB 1487 would grant too many exceptions and could expand the scope of practice of certain professions. A prominent example is the exception given to electrical work on air-conditioning units, which would allow unqualified people to perform electrical work in office buildings on huge motors for chiller systems, potentially endangering workers' safety. Also, the bill would allow master electricians to perform electrical engineering design, in direct conflict with the engineering practices act.

NOTES:

The committee substitute differs from the bill as filed by:

- moving authority from a new, independent state agency to TDLR and making a number of standard licensing and regulation revisions to conform to TDLR standards;
- revising exemption language to add other occupations that do minor electrical work in the scope of their occupation or business;
- changing the composition of the advisory board to represent different types of electrical contractors and electricians;
- increasing the number of continuing education hours required from eight hours every three years to four hours per year;
- adding language specifying that municipalities could amend the state standards and that electrical work in unincorporated areas would have to be at least as stringent as the state electrical code;
- allowing the TDLR executive director to impose administrative penalties; and
- requiring that applications for a grandfathered license be submitted by June 1, 2004, and that experience under that section be verified by a master electrician.

The companion bill, SB 500 by Armbrister, has been referred to the Senate Business and Commerce Committee.

The fiscal note estimates that the bill would require 32 new FTEs at the Department of Licensing and Regulation and cost \$2.1 million in fiscal 2004 and \$1.9 million in subsequent fiscal years, with the cost covered by license and examinations fees.