



**Fiscal Estimate Narratives**  
**COMM 9/20/2007**

LRB Number <b>07-2287/1</b>	Introduction Number <b>SB-167</b>	Estimate Type <b>Corrected</b>
<b>Description</b> A state electrical wiring code; regulation of electricians, electrical contractors, and electrical inspectors; inspections of electrical wiring; regulation of electrical wiring; regulation of heating and air conditioning contractors by a county with a population of 500,000 or more; and granting rule-making authority		

**Assumptions Used in Arriving at Fiscal Estimate**

2007 SB 167 includes several provisions impacting the Department of Commerce: required licensing of electricians, electrical contractors and electrical wiring inspectors; promulgation of a state wiring code; and the promulgation of rules that establish standards and a process for the inspection of electrical wiring.

Currently, the Department administers rules regarding the wiring of public buildings, places of employment and of 1&2 family dwellings, and also for the inspection of these wiring installations. In addition, the Department administers a program for the certification of electricians and electrical contractors who then use that certification to obtain a license in municipalities which require licensing.

The Department estimates that an additional 10,000 electricians and electrical contractors will obtain a license. This is likely to result in additional annual revenues of \$458,500. The annual costs related to the implementation of the licensing requirements provided in 2007 SB 167 will be \$56,900. These costs are for 1.0 FTE support staff, which is needed to administer the licensing requirements of 2007 SB 167.

2007 SB 167 requires Commerce to promulgate rules establishing standards and a process for the inspection of electrical wiring in municipalities that do not provide for such inspections. This will result in the full implementation of a statewide electrical wiring inspection program. The Department anticipates that it will contract to provide for inspections in municipalities that do not provide such inspections. To fully implement an inspection program, Commerce estimates additional costs of \$211,788. These costs are for 2.0 FTE electrical consultants, who will perform consultation and auditing duties and also duties related to the enforcement of the licensing requirements.

Currently, municipalities can require that an electrician or electrical contractor be licensed by their municipality. While certification is done by the Department of Commerce, the municipality typically collects a fee. 2007 SB 167 will prohibit municipalities from licensing electricians or electrical contractors, and therefore prohibit assessment of a fee by the municipality. This will reduce licensing revenue collected by the municipality. However, a municipality may offset this revenue loss by increasing permit fees. The amount of such revenue is indeterminable. The legislation removes language (s. 59.79 (4), Stats.) requiring the regulation of heating and air conditioning contractors by a county with a population of 500,000 or more. However, s. 101.178 (3), Stats., currently prohibits such regulation unless the local regulation was in place on or prior to April 23, 1994.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$201,900	\$0	
(FTE Position Changes)	(3.0 FTE)	(0.0 FTE)	
State Operations - Other Costs	66,800	0	
Local Assistance	0	0	
Aids to Individuals or Organizations	0	0	
<b>TOTAL State Costs by Category</b>	<b>\$268,700</b>	<b>\$0</b>	
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS (PRO)	268,700		
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS	458,500	0	
SEG/SEG-S	0	0	
<b>TOTAL State Revenues</b>	<b>\$458,500</b>	<b>\$0</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$268,700	\$0	
NET CHANGE IN REVENUE	\$458,500	\$0	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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