

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 13, 2008
POSITION: Oppose
SPONSOR: Western Electrical Contractors Association

BILL NUMBER: SB 1362
AUTHOR: B. Margett

BILL SUMMARY: Electrician Certification

This bill would provide that electricians who work without proper certification will be subject to penalties imposed by the Division of Apprenticeship Standards (DAS). This bill would also provide that the Contractors' State License Board (CSLB) may suspend or revoke the license of an electrical contractor if the contractor employs an uncertified electrician to perform work as an electrician or fails to provide adequate supervision to uncertified workers.

FISCAL SUMMARY

The DAS estimates the complaint-driven workload that would result from this bill would require a new unit consisting of six staff and ongoing funding of \$618,000 from the Apprenticeship Training and Contribution Fund. The revenues to this fund significantly exceed annual expenditures.

The CSLB also indicates that workload would be complaint driven. It is estimated that the cost for initial investigations would be \$40,000 annually and appeal costs would be an additional \$150,000 annually. It is likely that the CSLB will need additional staff to perform these duties. The costs would be funded from the Contractors' License Fund, which currently has a reserve equivalent to nine months of expenditures.

All requests for additional resources will be subject to review and approval through the annual budget process.

This bill authorizes the DAS to impose penalties of \$250 for first violations and \$500 for subsequent violations. Due to the unknown workload that would result from this bill, additional revenue cannot be estimated. It is unclear if the additional revenues will exceed the cost of implementing this bill.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the April 1, 2008, version are minor and do not alter our position.

- This version of the bill removes the \$1,000 and \$500 penalties that could be imposed by the CSLB for uncertified electricians.
- This bill now allows the CSLB to suspend or revoke an electrical contractor's license for specified violations.

COMMENTS

The Department of Finance is opposed to this bill because it would impose additional costs at a time when the state is experiencing a significant budget deficit.

Existing law requires persons performing work as electricians be certified pursuant to standards established by the Division of Apprenticeship Standards. Existing law also contains various exemptions from the certification requirements.

This bill would provide that persons performing electrical work without proper certification will be liable for payment of specified penalties. It also provides that the CSLB can revoke or suspend contractors' licenses for hiring uncertified electricians.

Analyst/Principal (0241) K. Shelton	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

**Form DF-43
BILL NUMBER**

AUTHOR

AMENDMENT DATE

B. Margett

May 13, 2008

SB 1362

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011		
7350/DIR	SO	No	C	\$349	C	\$618	C	\$618		3022
1110/ConAfr-ReqBd	SO	No	C	\$95	C	\$190	C	\$190		0735
1643/PenAssessm	RV	No		----- See Fiscal Summary -----						3022
1643/PenAssessm	RV	No		----- See Fiscal Summary -----						0735
<u>Fund Code</u>	<u>Title</u>									
0735	Contractors' License Fund									
3022	Apprenticeship Training Contribution Fd									