

SENATE BILL REPORT

SSB 5267

As Passed Senate, February 25, 2021

Title: An act relating to requiring electrical licensing for electrical work associated with flipping property.

Brief Description: Requiring electrical licensing for electrical work associated with flipping property.

Sponsors: Senate Committee on Labor, Commerce & Tribal Affairs (originally sponsored by Senators Saldaña, Stanford, Conway, Das, Hasegawa, Keiser, Kuderer and Wilson, C.).

Brief History:

Committee Activity: Labor, Commerce & Tribal Affairs: 1/25/21, 2/08/21 [DPS, DNP, w/oRec].

Floor Activity: Passed Senate: 2/25/21, 29-19.

Brief Summary of First Substitute Bill

- Requires persons performing electrical work on certain property offered for sale within one year of obtaining to acquire an electrical contractor license or a certified electrician to perform the work.
- Requires persons performing telecommunications work on certain property offered for sale within one year of obtaining to acquire a telecommunications contractor license.

SENATE COMMITTEE ON LABOR, COMMERCE & TRIBAL AFFAIRS

Majority Report: That Substitute Senate Bill No. 5267 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair, Labor; Stanford, Vice Chair, Commerce & Tribal Affairs; King, Ranking Member; Robinson and Saldaña.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass.

Signed by Senators Honeyford and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Braun.

Staff: Matt Shepard-Koningsor (786-7627)

Background: Electrical. The Department of Labor and Industries (L&I) administers and enforces state laws regarding electricians and electrical work. Generally, a person performing electrical work in the state must have a valid electrical certificate or electrical contractor license issued by L&I. Additionally, an electrical permit is required for most new, remodel, and maintenance electrical work with certain exceptions.

A person may perform electrical work at their residence, farm, place of business, or other property owned by them without obtaining a license or a certified electrician unless the electrical work is on the construction of a new building intended for rent, sale, or lease. If the new construction is a residential building with up to four units intended for rent, sale, or lease, the owner may receive an exemption from obtaining a license or using a certified electrician if certain conditions are met. Local electrical codes must still be complied with.

The requirements to obtain a license or a certified electrician also do not apply to:

- employees performing certain utility-type work with specific qualifications;
- work on electric power generation equipment, exempted by L&I rules; and
- certified plumbers, certified residential plumbers, or plumber trainees performing specific work.

Telecommunications. Telecommunications contractors are businesses or individuals who support electronic transmission of audio and visual signals. Businesses working in this trade must have a valid telecommunications contractor license issued by L&I. Electrical contractors licensed as general or specialty contractors are allowed to perform some telecommunications work. A telecommunications contractor license is not required for persons performing telecommunications work on their own property or for certain employees working on their employer's premises unless the work is on a new building intended for rent, sale, or lease.

Summary of First Substitute Bill: Electrical. A person must acquire an electrical contractor license or a certified electrician for electrical work at their residence, farm, place of business, or other personally-owned property when the property is offered for sale within one year after obtaining.

Telecommunications. A person must acquire a telecommunications contractor license when performing telecommunications work on their own property, or as an employee working on an employer's premises, when the property is offered for sale within one year after obtaining.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: People's wealth is often in their home and this bill addresses issues of faulty electrical work. L&I does not have authority to change standards by rule and a statutory change is required. Electrical inspectors are seeing fairly pervasive problems of people performing electrical work on property they are flipping. This does not change the permitting or exemption processes for homeowners doing electrical work on their property. This bill is trying to address the situation where a person is in the business of flipping property. These are the same standards as new construction and a level playing field is created. It will create apprenticeship opportunities and is a great learning experience for many electrical apprentices.

OTHER: Existing contractor registration and flipping laws refer to 12 months. The bill should be amended to use 12 months instead of 24 to maintain consistency with existing laws.

Persons Testifying: PRO: Senator Rebecca Saldaña, Prime Sponsor; Tammy Fellin, Labor & Industries; Matthew Hepner, IBEW/CEWW.

OTHER: Mary Hull-Drury, Washington REALTORS.

Persons Signed In To Testify But Not Testifying: No one.