

FISCAL NOTE
Requested by Legislative Council
02/10/2017

Amendment to: SB 2310

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$(146,000)	\$0	\$(153,000)	\$0	\$(161,900)
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The original bill will negatively impacts this office revenue by the amounts listed above. Agreed that the minimum should be raised, but no more than from the current \$300 to \$500

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The amended bill would reduce the amount of inspections/wiring certificates by 4,878 for the 2015-2017 fiscal years. We realize the minimum of \$300 should be raised and has been discussed several times. We agree with this more reasonable increase amount of this amended bill to \$500 minimum. My revised fiscal note analysis is based on increasing our current \$300 minimum to \$500 minimum as stated by the amended senate bill. I assumed a 5% increase in work load for the fiscal periods are listed in 1A above. Our agency agrees to raise the minimum to the \$500 as it can always be reviewed again in 2 years or the legislature could amend this bill turning the adjustment of this dollar amount to the ND Electrical Board to be adjusted by a fee schedule set up in the NDSEB's administrative rules.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See 2B

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See 2B

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

NA

Name: James Schmidt

Agency: ND State Electrical Board

Telephone: 701-328-9522

Date Prepared: 02/11/2017

FISCAL NOTE
Requested by Legislative Council
01/23/2017

Revised
 Bill/Resolution No.: SB 2310

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$(214,000)	\$0	\$(224,700)	\$0	\$(235,000)
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

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- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The original bill will negatively impacts this office revenue by the amounts listed above. Agreed that the minimum should be raised, but I believe no more from the current \$300 to \$500

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill in its original form will reduce the amount of inspections/wiring certificates by 7,142 for the 2015-2017 fiscal years. We realize the minimum of \$300 should be raised and has been discussed several times, but a more reasonable increased amount would be no more than to \$500 minimum. The analysis we did was based on the \$800 minimum called out by this senate bill. I assumed a 5% increase in work load for the fiscal periods are listed in 1A above. I suggest to raise the minimum only to \$500 as it can always be reviewed again in 2 years or the legislature could amend this bill turning the adjustment of this dollar amount to the ND Electrical Board to be adjusted by a fee schedule set up in the NDSEB's administrative rules.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See 2B

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See 2B

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

NA

Name: James Schmidt

Agency: ND State Electrical Board

Telephone: 701-328-9522

Date Prepared: 01/30/2017

FISCAL NOTE
Requested by Legislative Council
01/23/2017

Bill/Resolution No.: SB 2310

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

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	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$(214,000)	\$0	\$(224,700)	\$0	\$(235,900)	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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The bill in its original form will reduce the amount of inspections/wiring certificates by 7,142 for the 2015-2017 fiscal years. We realize the minimum of \$300 should be raised and has been discussed several times, but a more reasonable increased amount would be no more than to \$500 minimum. The analysis we did was based on the \$800 minimum called out by this senate bill. I assumed a 5% increase in work load for the fiscal periods are listed in 1A above. Although we would also realize a reduced work load by raising the minimum to \$800 we could either eliminate an inspector position (saving approx. \$130,000 considering all benefits, vehicle, training, education, subscriptions, uniforms, support staff, etc.) or spend more time at other installations doing more periodic inspections if the revised reduced revenues could sustain us. I believe if the bill was amended to a \$500 minimum job cost, this office could still function as it is as predictions for construction is to increase/recover from the past year and a half of slow down activity. Another factor for our office is we had two inspectors just retire at the end of January, 2017, which we will not replace so fiscally we will survive. I suggest to raise the minimum only to \$500 as it can always be reviewed again in 2 years or the legislature could amend this bill turning the adjustment of this dollar amount to the ND Electrical Board to be adjusted by a fee schedule set up in the NDSEB's administrative rules.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See 2B

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- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

NA

Name: James Schmidt

Agency: ND State Electrical Board

Telephone: 701-328-9522

Date Prepared: 01/27/2017

2017 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2310

2017 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Roosevelt Park Room, State Capitol

SB 2310
2/8/2017
Job Number 28031

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to inspections of electrical wiring installations

Minutes:

Attachments 1-6

Chairman Klein: Opened the hearing.

Senator Kannianen: Introduced the bill. Written testimony, see attachment #1 and amendment, see attachment #2. (1:00-4:48)

Senator Roers: You are more in a rural area, how available are your inspectors when you need to get an inspector out to your area?

Senator Kannianen: It's not really a problem, it's nothing that holds me up.

Chairman Klein: The idea behind the inspections is to make sure you've done your work properly but that doesn't hold up the others?

Senator Kannianen: Rough-in inspections aren't required in North Dakota unless it is mandated in the job.

Senator Burckhard: No matter what the fee is, does it affect the safety of the project?

Senator Kannianen: That is the basic purpose of why the electrical board exists and why there is an electrical code both on the national and state levels, for the protection and safeguarding of property. A job could cost only a few hundred bucks but if it involves grounding and bonding, there are definitely feasible reasons why that could require an inspection.

Senator Campbell: You don't get much done for five-hundred dollars, even five-thousand dollars. Shouldn't this be compared to other companies, up to five or ten-thousand dollars because an electrician is bonded in most cases and knows what he is doing. Why would we have this for smaller projects, why wouldn't you have it higher?

Senator Kannianen: I will let others speak to that more specifically as far as the reasoning's they feel behind that. It's just a matter that some small item jobs could have some safety features in it and they feel it is better to have it inspected.

Chairman Klein: We will hear why eight-hundred wasn't a good number and five-hundred is better.

Doug Grinde, Director of Inspections, North Dakota Electrical Board: In support. Written testimony, see attachment #3. (10:00-13:38)

Chairman Klein: Will this make your job easier? You don't have to be running to the four-hundred dollar inspections.

Doug Grinde: We do, some of those jobs will still be required to have inspections because there are some jobs that are 400 dollars that require installing a meter. Any time a meter is installed it requires an inspection.

Senator Marcellais: How many inspectors do we have in the state?

Doug Grinde: We currently have twelve.

Senator Casper: There are 2930 electrical installations with a cost of five-hundred dollars or more across the entire state for a year.

Doug Grinde: Those are jobs that have just those GFCI and AFCI. Those are dealing with mostly life safety and I try to keep those around the five-hundred-dollar job mark.

Senator Burckhard: Why did we wait to change the fee?

Doug Grinde: I have been in my position for about a year as director of inspections. I really don't know and to me anywhere from three to five-hundred dollars would be better. If one person installs a receptacle and an AFCI breaker which is there to protect your home, it could cost anywhere from three to five-hundred dollars.

Senator Campbell: Of the examples you gave how many did you find were not in compliance?

Doug Grinde: I don't have that number with me. I know I testified last week against another bill that was self-wiring and that was a little over 40% with corrections and that was after talking to the inspector and their electrical buddies. On a final inspection for self-wires it was a little over 40%.

Senator Campbell: Do you have to be a journey man or a certain license electrician to hook up a hot tub or can a regular guy do it?

Doug Grinde: I would love to say no but you can't if they claim that it costs 300 dollars or less. They are not supposed to but you could have companies going out there and hooking up these hot tubs and not having us look at them.

Chairman Klein: A homeowner could do it himself or are there some compliance issues there also?

Doug Grinde: Yes, if it is a self-wire. We go through an interview process with them and make sure they know what they are doing. We have an application they fill out so they send that in when they want an inspection and we go out and do a rough-in inspection and if there are any code issues we write a hand written correction report and they send that in when it is completed. We will go back out there and make sure those corrections have been made.

James Schmidt, Executive Director, North Dakota Electrical Board: In support. Written testimony, see attachment #4. Do pass with the amended version. (20:15-23:16)

Chairman Klein: I think everyone is in agreement with the amended version. The amount has been changed and the rest of the verbiage is good.

Don Offerdahl, Electrical Contractor: In support. Written testimony, see attachment #5. (25:12-28:14)

Chairman Klein: When we pass something generally it then goes to administrative rules and that costs, I don't know how many dollars but you have to put the notice in every paper and not many people respond to those notices.

Don Offerdahl: What I would suggest for administrative rules, it doesn't cost anything to put it on your webpage or to send an email out to all license's.

Chairman Klein: Closed the hearing.

Also handed out: Scott Halle's written testimony, see attachment #6.

Senator Casper moved to adopt the amendment, 17.0975.01001.

Senator Campbell seconded the motion.

Roll Call Vote: Yes-7 No-0 Absent-0

Senator Roers moved a do pass as amended.

Senator Casper seconded the motion.

Roll Call Vote: Yes-7 No-0 Absent-0

Senator Roers will carry the bill.

February 8, 2017

CM
2/7/17

PROPOSED AMENDMENTS TO SENATE BILL NO. 2310

Page 1, line 9, overstrike "The inspectors shall"

Page 1, line 10, overstrike "inspect, within fifteen days after" and insert immediately thereafter
"Upon receipt of"

Page 1, line 11, replace "eight" with "five"

Page 1, line 11, overstrike "in municipalities having ordinances requiring such"

Page 1, line 12, overstrike "inspection"

Page 1, line 12, after the comma insert "the inspectors shall inspect"

Page 1, line 12, overstrike "the same" and insert immediately thereafter "that installation"

Renumber accordingly

**2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2310**

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: 17.0975.01001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Casper Seconded By Senator Campbell

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Marcellais	x	
Vice Chairman Campbell	x				
Senator Roers	x				
Senator Burckhard	x				
Senator Casper	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

**2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2310**

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: 17.0975.01001

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Roers Seconded By Senator Casper

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Marcellais	x	
Vice Chairman Campbell	x				
Senator Roers	x				
Senator Burckhard	x				
Senator Casper	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Roers

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2310: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2310 was placed on the Sixth order on the calendar.

Page 1, line 9, overstrike "The inspectors shall"

Page 1, line 10, overstrike "inspect, within fifteen days after" and insert immediately thereafter "Upon receipt of"

Page 1, line 11, replace "eight" with "five"

Page 1, line 11, overstrike "in municipalities having ordinances requiring such"

Page 1, line 12, overstrike "inspection"

Page 1, line 12, after the comma insert "the inspectors shall inspect"

Page 1, line 12, overstrike "the same" and insert immediately thereafter "that installation"

Renumber accordingly

2017 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2310

2017 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

SB 2310
3/7/2017
Job #28821

☐ Subcommittee
☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

Inspections of electrical wiring installations.

Minutes:

Attachments 1, 2, 3

Chairman Keiser: Opens the hearing of SB 2310.

Senator Jordan Kannianen, Sponsor~ District 4: Attachment 1.

(3:00)

Rep Becker: Originally the bill was \$800. Why is it \$500 now rather than \$800?

Senator Kannianen: It is the safety aspect. Ground Fault protection just started in 1983 and Arc Fault protection came into the code in 2008. The idea of having those types of things inspected is to insure the protection is in place.

Rep Lefor: In the fiscal note it says it can be reviewed again in two years. That tells me you are not entirely comfortable with the \$500. Is that true?

Senator Kannianen: They are not comfortable with having it any higher than that.

Rep Ruby: You are removing the language, "in municipalities having ordinances requiring such inspection." Why is that?

Sen Kannianen: It's clean up language. The idea is there isn't any municipality that doesn't require inspections.

Rep Kasper: You are removing on line 10 the requirement that the inspection is done within 15-days. Why did you remove that requirement?

Sen Kannianen: It's a feasibility thing. To hold that requirement, the board would have to hire more inspectors.

Rep Kasper: What are they doing now?

Sen Kannianen: Those who follow me would have to give you the details.

(7:40)

Doug Grinde ~ Director of Inspections, ND State Electrical Board: Attachment 2.

(10:20)

Rep Lefor: In the fiscal note, there will be 4,878 less certificates of inspection. To me that is a big number. Can you help me understand why we are not raising safety risk by that large of a number no longer being inspected?

Doug Grinde: Some are certificates for requirements by power companies. That would be like reinstalling a meter that hasn't been used. Those are already required no matter what. Some of those certificates will still be submitted.

Rep Lefor: The numbers are really not 4,878?

Doug Grinde: I didn't look up that number. I just looked at those with major life safety issues. That is why I was not comfortable with the \$800.

Rep Lefor: In the categories that are \$0-300 that will no longer be inspected, what are the potential safety risks to the people?

Doug Grinde: I don't know the electricians' billing practices.

Rep Kasper: Why are you striking 15 days from the law?

Doug Grinde: I am working with all state and city-wide inspectors to get all of our numbers under a year. To get there in 15 days, I would have to refer that to Scott.

Rep Kasper: Are you saying that in many cases we are not following the 15-day law?

Doug Grinde: I refer to Scott.

Rep Kasper: Are the jobs below \$500 not as important to be sure they are done correctly?

Doug Grinde: Yes, I would probably say they are as important. We are hoping we will still get certificates for those that pertain to life safety.

Rep Kasper: You don't know. "Hope" is different than "knowing."

Rep Becker: If we do a reverse inflation on the \$500 that would be about \$203 in 1983. Yet in 1983 the level was \$300. The level was set higher than what we are looking at now. If we use that same inflation calculator, it would be a little under \$750. Over time we have closed down the types of jobs needing an inspection. Wouldn't it make sense to keep things constant?

Doug Grinde: The price of GFCIs when they first came out were \$27. Right now they are \$10. Arc Fault breakers when they first came out were around \$65. Now they are about \$49. Wire costs in 1992 with a copper shortage were a lot higher than they are now. I would say no you can't follow inflation.

(17:12)

Scott Porsborg, Special Assistant Attorney General for the North Dakota Electrical Board: Our code was adopted in 1917. Some of the statutes haven't changed since then. It was my request that the clean-up language be done. It results in no substantive change. The North Dakota Supreme court has interpreted that the 15-day requirement and the municipality-only inspected requirements not to apply. The case on that is North Dakota State Electrical Board vs. Boren, 2008-ND-182. Boren alleged that we weren't allowed to inspect his home because we didn't meet the 15-day requirement and because he didn't live in the municipality that had ordinances. He took it to the Supreme Court. The Supreme Court said we do have the authority to inspect everywhere in the state regardless of time period. I thought since we were making changes anyway that we would clean up the old language.

Rep Ruby: Why would they make that case based on what the law said? To me that is legislating from the bench. That should have been ruled in favor of that person. Then the law should have been changed to reflect what they wanted to do.

Scott Porsborg: They referred to a number of other statutes in our section of the code which is 43-09. They said you have to harmonize them within the statutory scheme. They upheld the decision of the district court allowing us to inspect.

Rep Kasper: Statute said the inspections are supposed to be done within 15 days. I have asked if they are being done in 15 days.

Scott Porsborg: They are not always.

Rep Kasper: Was it because of the Supreme Court ruling that they no longer have to honor the 15 days?

Scott Porsborg: The 15 days was not being honored long before I became the attorney for the board. It is something that troubled me and then we had this case where someone challenged it. The Supreme Court agreed with us on that.

Rep Kasper: There should be no minimum days to be required to do the inspection?

Scott Porsborg: That's a policy question that the Attorney General's office doesn't like us to get into. My judgment was that it was a good idea to clean up this language.

Rep Kasper: Some authorities failed to followed the law.

Scott Porsborg: That's right. If the committee looked at a number of statutes in some of the older professional boards, they will find quite a bit of out dated language.

Rep Kasper: With the loss of revenue because of less inspections, why not keep the inspections and keep the revenue and higher another inspector to do the job?

Scott Porsborg: You are talking about the dollar limit? That is a policy question.

James Schmidt ~ Executive Director-ND State Electrical Board: Attachment 3.

(26:05)

Rep Lefor: Safety is number one. What is the best way or best advice to get it to where electrical inspectors are able to do their job, have the revenue to hire the correct amount of inspectors and throw this all away? What would you do?

James Schmidt: Our office didn't know about this bill. I found it on the legislative website. Due to the decrease in cost of some electrical parts, I honestly felt that \$450 was the number. We felt that the \$800 was too high.

Rep Lefor: You are the expert. I'm more interested in the fee you want to have so people are safe electrically in their homes.

James Schmidt: I think it's the \$450 but \$500 is livable. I did prepare the fiscal note to look at it again in two years.

Rep Lefor: We've come to an amount. Does it give you the revenue that you need to get more inspectors so the original intent of the law is done in 15 days. I am hearing it takes longer than that. What is the ideal plan to get more boots on the ground to get the job done in a shorter period of time?

James Schmidt: You can't control the amount of wiring certificates coming in. They come in randomly. During the busy season you get flooded. It takes five years for a master electrician to become an inspector. If we hire more inspectors to meet the 15 days, there will be times when we have nothing to do. The goal of the office is to keep the inspections within a year.

Rep Lefor: With the \$450 plus your existing way of doing business, you are comfortable with the amount of time for inspections?

James Schmidt: Yes.

Rep Ruby: Does this apply to when an electrician does work or the homeowner, or both?

James Schmidt: This applies to contracting electricians. Homeowners, called self-wires, have to go through an application process with the local inspector to see if they are capable of doing the work. Those individuals are given 90 days. I'm looking at extending that to about six months because it is not realistic.

Rep Ruby: How would the homeowner know when they hit that threshold? How do they know they need an inspector?

James Schmidt: The contractor lets us know when it is over the minimum. In the case of a homeowner, that is determined when the inspector is out there interviewing them before he allows them to do the self-wire. The inspectors have a good idea of what things cost. Any self-wire needs a permit.

Rep Becker: If we don't have some aspect of an inflator, then we will have more restrictions. The average salary for an electrician was \$22,048 in 1983. It is \$50,893 now. That is a 230% increase. Overall inflation since 1983 is about 240%. The labor part is in line with the overall inflation rate. What percentage of a typical job is labor?

James Schmidt: I would say labor six years ago was about 60%, depending on the job.

Rep Becker: I was talking about the jobs that would fit in this parameter. The \$500 type of jobs.

James Schmidt: About 75%. It shouldn't be about inflation. It should be about safety.

Opposition: None

Neutral: None

Vice Chairman Sukut: Closed the hearing.

Rep Laning: Moved a Do Pass.

Rep Lefor: Seconded the motion

Vice Chairman Sukut: Further discussion.

Rep Kasper: I'm not going to support the motion. There are many things I don't like.

Rep Ruby: I will support the motion. I did have concern about the 15 days.

A Roll Call vote was taken: Yes 10, No 1, Absent 3.

Do Pass carries.

Representative Dobervich will carry the bill.

Date: March 7, 2017

Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB SB 2310

House Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or
Description: _____

Recommendation

- ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions

- ☐ Reconsider ☐ _____

Motion Made By Rep. Laning Seconded By Rep. Lefor

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	AB		Rep Laning	X	
Vice Chairman Sukut	X		Rep Lefor	X	
Rep Beadle	X		Rep Louser	AB	
Rep R Becker	X		Rep O'Brien	X	
Rep Bosch	AB		Rep Ruby	X	
Rep C Johnson	X		Rep Boschee	X	
Rep Kasper		X	Rep Dobervich	X	

Total (Yes) 10 No 1

Absent 3

Floor
Assignment Representative Dobervich

REPORT OF STANDING COMMITTEE

SB 2310, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **DO PASS** (10 YEAS, 1 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2310 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

SB 2310

SB 2310 - Senate Industry Business and Labor Committee

Jordan Kannianen - District 4 Senator

Chairman Klein and committee members, the purpose of SB 2310 is to increase the minimum job-cost threshold requiring electrical inspection, which was last adjusted in 1983. The costs of electrical installations and service work have certainly increased substantially since then, and it was felt that the original intent of the law didn't match up with what can be done for \$300 today. Before drafting the bill, I consulted with a member of the State Electrical Board who serves in the House (Rep. Ben Koppelman). He agreed with the proposed change and later signed on as a co-sponsor.

However, I soon learned that I should've consulted with additional folks before submitting the bill. The executive director and the director of inspections of the state electrical board both informed me they were opposed to the change to \$800 and would testify against it in this committee hearing. They brought up good points that I hadn't fully considered before submitting the bill. Moreover, there is other language in the same paragraph of century code under consideration that needs updating.

With that said, I would like to submit for your consideration amendment 17.0975.01001 (since it was too late to simply have the bill redrafted). This lowers the proposed threshold change from \$800 to \$500 (still an increase from the current \$300), and it also cleans up unnecessary language. The \$500 threshold is a figure I, the members of the electrical board, and its executive director and inspectors can agree on and feel comfortable with. In submitting this proposal, it wasn't my purpose to be adversarial with the board, its executive director, or the director of inspections (I have to get along with these guys in my work once the session is over!). I just wanted to pursue a common-sense change that saves money for the people of North Dakota by not requiring an inspection fee for jobs that only cost \$300. Additionally, it's difficult for the state electrical board to break even on the inspection costs relating to the small jobs. Particularly in rural areas, with an inspection fee of \$25 for a \$300 job, this is a high cost for the customer yet still not sufficient to pay for the wages, benefits, and travel costs of the inspection.

My request is that you please adopt the proposed amendment and then give SB 2310 a recommendation of Do Pass as amended. Thank you.

17.0975.01001

Sixty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2310

Introduced by

Senators Kannianen, Burckhard, Campbell

Representatives Rick C. Becker, Jones, B. Koppelman

- 1 A BILL for an Act to amend and reenact section 43-09-05 of the North Dakota Century Code,
2 relating to inspections of electrical wiring installations.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

- 4 **SECTION 1. AMENDMENT.** Section 43-09-05 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **43-09-05. Powers and duties of state electrical board - Biennial report.**

- 7 The board shall adopt a seal and may adopt reasonable rules to carry out this chapter. The
8 board may submit a biennial report to the governor and the secretary of state in accordance
9 with section 54-06-04. The board shall appoint qualified inspectors. ~~The inspectors shall~~
10 ~~inspect, within fifteen days after~~ Upon receipt of notice of completion of any electrical wiring
11 installation involving a value of ~~three~~ eight ~~hundred~~ five hundred dollars or more in municipalities having
12 ~~ordinances requiring such inspection,~~ the inspectors shall inspect the electrical installation and
13 approve or condemn ~~the same~~ that installation. The inspector shall make a report of the
14 inspection on forms prescribed by the board.

Testimony Supporting SB 2310 with Amendment.

Presented by Doug Grinde

Director of Inspections, North Dakota Electrical Board

Mr. Chairman and Members of the Committee:

My name is Doug Grinde, I am Director of inspections for the North Dakota State Electrical Board.

My testimony today is in Support of SB 2310 as Amended.

In 2016, the North Dakota State Electrical Inspectors inspected approximately 2930 electrical installations with a job cost of \$500.00 or more. Included in these 2930 inspections are jobs that have strict codes that needed to be followed to help insure the protection of persons and property. Some of these jobs include:

- A) 275 Hot Tub connections. Hot tubs require GFCI protection, clearance regulations on electrical devices such as lights, receptacles and switches, and strict rules on bonding and grounding. All of these code requirements have a major impact on the safety of the use of a hot tub or spa, and could easily be a cause for loss of life accident. **Avg cost = \$530.00**
- B) 348 jobs involving bathrooms. Bathrooms have GFCI and clearance requirements that are enforced for the protection against loss of life due to electrocution. **Avg cost = \$661.00**
- C) 1462 pertaining to garage wiring. There are several codes related to garages, both commercial and residential that directly impact safety. If GFCI protection is not installed, or not installed properly, there would be a high risk for electrical shock resulting in personal injury or loss of life. **Avg cost = \$504.00**
- D) 119 for basement wiring in dwelling units. These electrical installations have Ground Fault Protection, Arc Fault Protection, and Fire Alarm Protection codes that if not installed, could allow for serious property damage, personal injury, or loss of life accidents. **Avg cost = \$633.00**
- E) There are also wiring certificate that pertain to the bonding and grounding of swimming pools. I feel this could be a very serious issue if something was missed because a home owner did it themselves, or it was not inspected because a wiring certificate did not have to be filed based on job cost. **Job Cost = \$550.00**

In closing, I Support the change in job cost value to be raised from \$300 to \$500 to require a wiring certificate as stated in Amended SB 2310.

Mr. Chairman and Committee Members, this concludes my testimony.

If there are any questions, I will do my best to answer them for you.

TESTIMONY SUPPORT in of the AMENDMENT to SB 2310**PRESENTED BY JAMES SCHMIDT****EXECUTIVE DIRECTOR, NORTH DAKOTA STATE ELECTRICAL BOARD**

Mr. Chairman, Members of the Committee:

Senate Bill 2310 was introduced without the knowledge of the North Dakota State Electrical Board. There has been questions and discussion in the past to raise the minimum electrical work from its present requirement of \$300.

Senate Bill 2310 was passed with its original verbiage of setting the minimum fee at \$800 would take away the NDSEB's requirements for electrical inspections of smaller electrical installations. The installations not getting an inspection would include adding of devices in homes such as smoke detectors, carbon monoxide detectors, ground fault interrupter devices, exterior receptacles, hot tubs, sump pumps and other specialty receptacles, plus persons doing self-wiring in a home and would have the potential of selling this house to others in the future. Many of the devices I've listed have special code requirements for their installation locations and should be inspected.

A legislator told me we need to raise this minimum fee for inflation sake. I agree to a point with that statement but I don't think this bill should be all about inflation; this bill should be about preforming electrical inspections on installations for the safety of the public.

We've done research and wiring certificates under \$800 we have on file are exactly the ones I previously spoke of. I've spoken with electrical contractors whose rates range from \$65 to \$75 per hour so any one of these installations may even have a hard time reaching the present \$300 minimum.

The minimum \$300 electrical installation law was put in place for a trigger point to call for electrical inspection for public safety. Raising this minimum to \$800, in my opinion is too high at this point. After reviewing this topic with 2 legislator supports of this senate bill, our office could agree to amend the bill to raise the minimum to \$500 but not the original amount of \$800. I ask of this committee to also consider revising the text in this bill to allow the North Dakota State Electrical Board to set the minimum limit through the administrative rule process.

Every 3 years the North Dakota State Electrical Board reviews, takes public comments on and adopts the revised or updated edition of the current National Electrical Code and the ND State Wiring Standards. These are the rules that our office uses ensure the safeguarding of the residents of North Dakota's buildings and building contents from electrical hazards arising from the use or control of electricity for light, heat, power, and control thereof and of the fire detection system. We therefore urge a do pass vote on the amended version of SB 2310.

We thank the Committee for hearing our comments and I would be happy to answer any questions the committee may have.

SB 2310

Senator Klein and other IBL Committee members,

My name is Don Offerdahl and I'm here representing myself. I am electrical contractor, past executive director and Inspector of the North Dakota electrical board. I'm in favor of this bill. The last time this dollar value was changed was 1983 prior to that that was 1975. The change reflects the cost index of 1983 compared to 2016. The reason for the minimum fee is there is little reason to inspect day to day routine work that is done on smaller jobs. Increasing the minimum fee from \$300 to \$800 will give the inspectors more time to inspect more crucial jobs such as, new homes, home additions, commercial and industrial projects in a more thorough and timely fashion. The last year's I was the executive director there were inquiries from electrical contractors to increase minimum fees. I have enclosed two proposals from local electrical contractors to increase the minimum fees in the last few years.

The reason why we didn't increase the minimum fee was to meet a yearly budget and keep the board solvent. Reviewing the recent past audit reports that should not be a problem at this time.

RECEIVED

NOV 30 2015

**PROPOSED CHANGES TO THE ADMINISTRATIVE RULES OF
THE 2017 NORTH DAKOTA WIRING STANDARDS**

NDSEB

INSTRUCTIONS PLEASE READ CAREFULLY

Type or print in **black ink**. Use a separate copy for each proposal. Limit each proposal to a SINGLE section. All proposals must be received by the North Dakota State Electrical Board by 2/28/16 at 5:00 p.m. to insure that they be included on the original proposed draft copy for administrative hearing. The North Dakota State Electrical Board will hold a public administrative hearing on the proposed changes. Time and place to be announced at a later date.

Date 11/23/2015 Name Jamie DietzlerHome Phone 701-317-1485 Work Phone 701-317-6860Company Dietzler Electric LLCStreet Address 3488 Foley Avenue NE City LarimoreState North Dakota Zip 58251

Please indicate organization represented (if applicable)

1. Section/Paragraph 24-02-01-19 / Paragraph 22. Proposal recommends (check one) new text ☐ revised text ☒ deleted text ☐

3. Proposal (include proposed new wording or identification of wording to be deleted):

Raise the \$300.00 value to a value that is proportional to what the original value was whenit was created. This value may be closer to \$500.00 to \$1,000.00 today.

4. Statement of problem and substantiation for proposal:

This low value creates alot of unnecessary documentation and cost for contractors/customers.A simple light fixture swap can create over \$300.00 in materials and with an hour of labor it is above.Jamie Dietzler (Signature)

MAIL TO: North Dakota State Electrical Board, PO Box 7335, Bismarck ND 58507.

RECEIVED

JAN 11 2013

NDSEB

PROPOSED CHANGES TO THE ADMINISTRATIVE RULES OF
THE ~~2011~~ NORTH DAKOTA WIRING STANDARDS

2014

INSTRUCTIONS PLEASE READ CAREFULLY

Type or print in **black ink**. Use a separate copy for each proposal. Limit each proposal to a SINGLE section. All proposals must be received by the North Dakota State Electrical Board by 2/28/17 at 5:00 p.m. to insure that they be included on the original proposed draft copy for administrative hearing. The North Dakota State Electrical Board will hold a public administrative hearing on the proposed changes. Time and place to be announced at a later date.

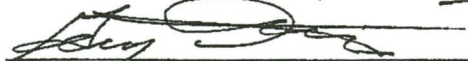
Date 1-2-13 Name Gary TernesHome Phone 258-7872 Work Phone 258-7872Company Ternes ElectricStreet Address 4660 W. Roundup Rd City BismarckState ND Zip 58503

Please indicate organization represented (if applicable)

1. Section/Paragraph 24-02-01-19 / 22. Proposal recommends (check one) new text ☐ revised text ☒ deleted text ☐

3. Proposal (include proposed new wording or identification of wording to be deleted):

... Where cost of repair or additional work exceeds three hundred dollars.

4. Statement of problem and substantiation for proposal: this needs to be raised to at least \$750.

(Signature)

MAIL TO: North Dakota State Electrical Board, PO Box 7335, Bismarck
ND 58507-7335.

SB 2310**Mr. Chairman and members of the committee:**

My name is Scott Halle and I am here to speak in favor of Senate Bill 2310 as amended. I have been involved in the electrical industry North Dakota for 25 years, as an electrician, project manager and business owner, and for the last six years I have been employed with the North Dakota State Electrical Board as an Inspector and Training Administrator. I have experience both as a contractor writing the wiring certificates and doing the work, as well as an inspector doing the required follow up inspections for jobs both big and small. The rules put in place by our predecessors from the North Dakota legislature and the North Dakota State Electrical Board provide a system to ensure safety for the users of electricity, and also protection both for consumers that the wiring will meet minimum safety standards, and for contractors to provide fair and equal requirements from a business perspective. Inspection of these installations will assure that the minimum safety requirements are met, such as ground fault protection for wet areas, as well as ensure that all contractors are providing the minimum requirements in all cases, and not cutting corners in order to lower costs and possibly secure the job.

I have had the discussion with many people in the past regarding the \$300.00 level for certificates and whether or not it was too low due to the years it has been in place, and while I feel we are due for some increase, I want to caution about not increasing it too much. When we consider raising the limit over \$500, it will leave a lot of installations without inspections. Some of the types of projects that would likely be affected by raising these limits would be bathroom remodels, finishing basements and room remodels, hot tub installations, garage wiring projects, and temporary installations both for construction and also at temporary public functions and events. All of these types of installations have specific requirements for ground fault protection of personnel in wet or damp environments, arc fault protection for fire prevention, fire alarm installation requirements, cable and cord requirements for securing, supporting and protection from physical damage, and clearances maintained from electrical

SB 2310

equipment and apparatus to protect people from electrical shock and fire hazards.

I reviewed the numbers of completed certificates submitted by month for the year 2016 and found there were 2338 certificates with a value of \$800 dollars or less inspected in North Dakota, of these approximately 790 had corrections issued to them, or about 34%. In my opinion raising the minimum fee over \$500 would adversely affect the safety of the citizens of North Dakota by excluding these installations from the benefit of being reviewed by an impartial qualified electrical inspector, and subject the public and ethical contractors to the possibility of unscrupulous business practices by some individuals.

I thank you for your time and welcome any questions you may have for me.

Month	Completed Certs	With Correction(s)	Percentage
January	201	47	23%
February	123	29	24%
March	264	79	30%
April	165	51	31%
May	292	115	39%
June	189	57	30%
July	204	74	36%
August	239	82	34%
September	188	81	43%
October	186	64	34%
November	166	65	39%
December	121	46	38%
Total	2338	790	34%

Mar 7, 2017

SB 2310

1

SB 2310 - Senate Industry Business and Labor Committee

Jordan Kannianen - District 4 Senator

Chairman Keiser and committee members, the purpose of SB 2310 is to increase the minimum job-cost threshold requiring electrical inspection, which was last adjusted in 1983. It also deals with some cleanup language. The costs of electrical installations and service work have certainly increased substantially since then, and some of us have the opinion that the original intent of the law doesn't match up with what can be done for \$300 today. Before drafting the bill, I consulted with a member of the State Electrical Board who serves in the House (Rep. Ben Koppelman). He agreed with the proposed change and later signed on as a co-sponsor.

The \$500 threshold is a figure I, the members of the electrical board, the executive director and inspectors can agree on and feel comfortable with. It's a common-sense change that saves money for the people of North Dakota by not requiring an inspection fee for jobs that only cost \$300 (\$25 minimum fee). Additionally, it's difficult for the state electrical board to break even on the inspection costs relating to the small jobs. Particularly in rural areas, with an inspection fee of \$25 for a \$300 job, this is a high cost for the customer yet still not sufficient to pay for the wages, benefits, and travel costs of the inspection.

In proposing an increase to the threshold, safety needs to be considered as well. While an increase to \$500 is agreeable, a larger increase probably wouldn't be, due to necessary safety considerations. While costs have increased substantially since 1983, safety requirements in code have as well, making it reasonable to want to have jobs of \$500 and above inspected. Those who follow me will go into more detail in this regard.

My request is that you please give SB 2310 a Do Pass recommendation. Thank you.

Mar 7, 2017

2

Testimony Supporting SB 2310 with Amendment.

Presented by Doug Grinde

Director of Inspections, North Dakota Electrical Board

Mr. Chairman and Members of the Committee:

My name is Doug Grinde; I am Director of inspections for the North Dakota State Electrical Board.

My testimony today is in Support of SB 2310 as Amended.

In 2016, the North Dakota State Electrical Inspectors inspected approximately 2930 electrical installations with a job cost between \$500.00 and \$700.00 related to HOT TUBS / GARAGES / ARC FAULT PROTECTION / FIRE ALARM and POOL BONDING. These jobs have strict codes that must be followed which are in place for the protection of persons and property. Some of these jobs include:

- A) 275 Hot Tub connections. Hot tubs require GFCI protection, clearance regulations on electrical devices such as lights, receptacles and switches, and strict rules on bonding and grounding. All of these code requirements have a major impact on the safety of the use of a hot tub or spa, and could easily be a cause for loss of life accident if not followed. **Avg cost = \$530.00**
- B) 348 jobs pertaining to bathrooms. Bathrooms have GFCI and clearance requirements that are enforced for the protection against loss of life due to electrocution. **Avg cost = \$661.00**
- C) 1462 pertaining to garage wiring. There are several codes related to garages, both commercial and residential that directly impact safety. If GFCI protection is not installed, or not installed properly, there would be a high risk for electrical shock resulting in personal injury or loss of life. **Avg cost = \$504.00**
- D) 119 for basement wiring in dwelling units. These electrical installations have Ground Fault Protection, Arc Fault Protection, and Fire Alarm Protection codes that if not installed, could allow for serious property damage, personal injury, or loss of life accidents. **Avg cost = \$633.00**
- E) There are also wiring certificates related to the bonding and grounding of swimming pools. I feel this could be a very serious issue if something was missed because a home owner did it themselves, or it was not inspected because a wiring certificate did not have to be filed based on job cost. **Job Cost = \$550.00**

In closing, I Support the change in job cost value to be raised from \$300 to \$500 to require a wiring certificate as stated in Amended SB 2310.

Mr. Chairman and Committee Members, this concludes my testimony.

If there are any questions, I will do my best to answer them for you.

Mar 7, 2017

3

TESTIMONY SUPPORT in of the AMENDMENT to SB 2310

PRESENTED BY JAMES SCHMIDT

EXECUTIVE DIRECTOR, NORTH DAKOTA STATE ELECTRICAL BOARD

Mr. Chairman, Members of the Committee:

Senate Bill 2310 was introduced without the knowledge of the North Dakota State Electrical Board. There has been questions and discussion in the past to raise the minimum electrical work from its present requirement of \$300.

If Senate Bill 2310 was passed with its original verbiage of raising the minimum fee to \$800, would take away the NDSEB's requirements for electrical inspections of smaller electrical installations. These installations could include adding of devices in homes such as smoke detectors, carbon monoxide detectors, ground fault interrupter required locations, connections to hot tubs, sump pumps and other specialty equipment receptacles, plus persons doing self-wiring in their home could have the potential of selling this house to others and no electrical inspection would have been performed. Many of the devices I've listed have special code requirements for their installation locations and should be inspected.

A legislator told me we need to raise this minimum fee for inflation sake. I agree to a point with that statement but I don't think this bill should be all about inflation; this bill should be about performing electrical inspections on installations for the safety of the public.

We've researched through our files for wiring certificates under \$800 and have found exactly the ones I previously mentioned that need an inspection. I have spoken with electrical contractors whose rates are from \$65 to \$75 per hour which any one of these installations may even have a hard time reaching the present \$300 minimum.

pl

The minimum \$300 electrical installation law was put in place for a trigger point to call for electrical inspection for public safety. After reviewing this topic with 2 legislator supporters of this senate bill, our office could agree to the amended version of this bill raising the minimum from \$300 to \$500.

Every 3 years the North Dakota State Electrical Board reviews, and advertises to take public comment at our administrative rules hearing and adopts the revised or updated edition of the current National Electrical Code and the ND State Wiring Standards. These are the rules that our office uses ensure the safeguarding of the residents of North Dakota's buildings and building contents from electrical hazards arising from the use or control of electricity for light, heat, power, and control thereof and of the fire detection system. We therefore urge a do pass vote on the amended version of SB 2310.

We thank the Committee for hearing our comments and I would be happy to answer any questions the committee may have.