

General Affairs Committee

Nebraska Legislature

One Hundred Eighth Legislature
First Session

LR105: An Interim Study to examine and review occupational licenses and regulations under the State Electrical Act

Occupational License Report: 2023

Report as required pursuant to the Occupational Board Reform Act (OBRA)

Committee Members:

Senator John Lowe, Chairperson
Senator Jenna Hughes, Vice Chair
Senator Tom Brewer
Senator John Cavanaugh
Senator Jen Day
Senator Brian Hardin
Senator Rick Holdcroft
Senator Jane Raybould

Committee Staff:

Laurie Holman, Committee Research Analyst
Andrew Shelburn, Committee Clerk

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Memorandum

To: Clerk of the Legislature

From: Senator John Lowe, Chairperson of General Affairs Committee

Date: December 20, 2023

Subject: Occupational Licensing Report as required by Neb. Rev. Stat. §84-948

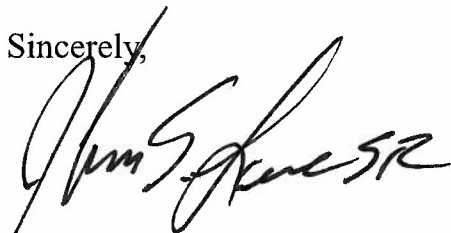
Occupational Licensing Update: Committee Action

Nebraska Revised Statute §84-948 requires each committee to annually review and analyze approximately twenty percent of the occupational regulations within the jurisdiction of the committee and submit an annual report of its findings. Each committee shall complete this process for all regulations within its jurisdiction within five years and every five years after.

The General Affairs Committee completed reviews of the following occupational licenses within its jurisdiction in 2023: Licenses under the jurisdiction of the State Electrical Board. This report is compiled in accordance with Neb. Rev. Stat. §84-948 by committee staff and personnel through research into each occupational license, surveys completed by the occupational board, related committee hearings, and meetings. No formal hearings were held on the specific occupational licenses reviewed this year.

The following report details the background and legislative history behind each studied occupational license, relevant information about the license and its occupational board, and the current recommendation by the committee regarding the license at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "John Lowe SR", written in a cursive style.

Senator John Lowe, District 37

Chairperson, General Affairs Committee

Background and Legislative History

The State Electrical Division was created in 1969 within the office of the State Fire Marshal. The Electrical Act was created in 1975 by the Legislature with the passing of LB 525. The division includes a seven member State Electrical Board appointed by the Governor with the approval of the Legislature. In 1981, the State Electrical Division was established as an independent state agency with the passing of LB 490, and was no longer within the office of the State Fire Marshal.

The State Electrical Division is under the administrative and operative control of the Executive Director of the Division. The State Electrical Board has the authority to adopt rules and regulations necessary to enable it to carry out the duties established in the State Electrical Act. Board members must be residents of the State of Nebraska, and must include a journeyman electrician, an electrical contractor or master electrician, a certified electrical inspector, a licensed professional electrical engineer, a representative of a public power district or rural electric cooperative in the state, and one member of any such group. Members are appointed to serve five year terms, and the executive director of the division serves as the executive secretary of the board.

The electrical division issues electrical licenses, electrical permits, conducts electrical examinations, and investigates any death by electrocution that occurs within the State of Nebraska.

The board also has the power to revoke, suspend, or refuse to renew any license or registration granted pursuant to the State Electrical Act when any provision of the the National Electrical Code is violated, or any violation of the act, or when “the act, or any rule or regulation adopted and promulgated pursuant to the act, or any licensee or registrant fails or refuses to pay any examination, registration, or license renewal fee required by law, is an electrical contractor or master electrician and fails or refuses to provide and keep in force a public liability insurance policy as required by the board, or violates any political subdivision’s approved inspection ordinances.”¹

¹ Neb. Rev. Stat. 81-2104(6).

Licenses Issued by the Division

The State Electrical Division has issued 18,480 certificates or licenses to qualified persons in the state. These certificates are for:

Electrical Contractor, which is defined as “a person having the necessary qualifications, training, experience, and technical knowledge to properly plan, lay out, install, and supervise the installation of wiring, apparatus, and equipment for electric light, heat, power, and other purposes, and who is licensed by the board.”²

Journeyman, which means “a person having the necessary qualifications, training, experience, and technical knowledge to wire for or install electrical wiring, apparatus, and equipment, and to supervise apprentice electricians and who is licensed by the board.”³

Residential journeyman electricians are “person(s) having the necessary qualifications, training, experience, and technical knowledge to wire for or install electric wiring, apparatus, and equipment for residential installations and to supervise apprentice electricians and who is licensed by the board.”⁴

Specialty or Special electricians “have the necessary qualifications, training, and experience in wiring or installing special classes of electrical wiring, apparatus, equipment, or installations which shall include irrigation system wiring, well pump wiring, air conditioning and refrigeration installation, and sign installation and who [are] licensed by the board.”⁵

Apprentice electricians are “any person, other than a licensee, who, as such person’s principal occupation, is engaged in learning and assisting in the installation, alteration, and repair of electrical equipment as an employee of a licensee and who is registered with the board.”⁶

² Neb. Rev. Stat. 81-2102(8).

³ Neb. Rev. Stat. 81-2102(13).

⁴ Neb. Rev. Stat. 81-2102(17).

⁵ Neb. Rev. Stat. 81-2102(19).

⁶ Neb. Rev. Stat. 81-2102(1).

Committee Findings

Pursuant to Neb. Rev. Stat. §84-948, each report issued by a standing committee of the Legislature must contain the following information:

1. The title of the regulated occupation and the name of the occupational board responsible for the enforcement of the occupational regulations.

Regulated Occupation: *Electrical Contractor, Journeyman Electrician, Residential Electrician, Specialty Electrician, Apprentice Electrician*

Occupational Board: *The State Electrical Board*

2. The statutory citation or other authorization for the creation of the occupational regulations and occupational board.

Neb. Rev. Stat. §81-2101 through 81-2143.

3. The number of members of the occupational board and how the members are appointed.

The State Electrical Board consists of seven board members who are appointed by the governor and confirmed by the Legislature, pursuant to Neb. Rev. Stat. §81-2103.

4. The qualifications for membership on the occupational board.

The membership of the State Electrical Board includes the following: one member must be a journeyman electrician, one must be an electrical contractor or master electrician, a certified electrical inspector, a licensed professional electrical engineer, a representative of a public power district or rural electric cooperative in the state, a representative of the municipal electric system in the state, and one must be a member of any of such groups. Members of the board serve staggered terms of five years.

5. The number of times the occupational board is required to meet during the year and the number of times it actually met.

The board does not have a required number of meetings per year set in statute or rules and regulations. The board has decided their standard is to meet six times per year, and has done so for at least the past five fiscal years.

6. Annual budget information for the occupational board for the five most recently completed fiscal years.

FY 22/23: \$2,768,684.00

FY 21/22: \$2,443,131.00

FY 20/21: \$2,684,943.00

FY 19/20: \$1,973,403.00

FY 18/19: \$2,092,143.00

7. For the immediately preceding five calendar years, or for the period of time less than five years for which the information is practically available, the following information: the number of government certifications, occupational licenses, and registrations the occupational board has issued, revoked, denied, or assessed penalties against listed anonymously and separately per type of credential, and the reasons for such revocations, denials, and other penalties.

Issued: 18,480

Revoked: 0

Denied: 0

Penalties: 1

Penalty Certificate Description: Repeated work that was not properly permitted and inspected. The wiring was unsafe and put the customer and family at risk of potential electrical hazard. The board reviewed the case and determined that a suspended contractors license was the appropriate penalty

8. A review of the basic assumptions underlying the creation of the occupational regulations.

Electrical license regulations are necessary to ensure the safety of all Nebraska residents. If we did not have licensed electricians in the state, there would be an increased risk of fires, electrocutions, and fatalities for all citizens, in both residential and commercial settings. Regulation of this industry is also necessary from an insurance perspective.

9. A statement from the occupational board on the effectiveness of the occupational regulations.

The occupational regulations overseen by the board have been effective in properly qualifying applicants to take the required examinations to consistently qualify electricians to ensure they meet the minimum standards to be licensed in whatever category they choose.

10. A comparison of whether and how other states regulate the occupation.

Nebraska's standards are consistent with the thirteen other states signed onto the National Electrical Reciprocal Alliance, an agreement we have entered into which can bring around 1,600 additional licensed electricians to our state to meet the demands for licensed electricians in Nebraska.

OBRA Analysis

Each report issued by a standing committee of the Legislature must analyze whether the occupational regulations meet the policy goals established under OBRA, and consider the following recommended courses of action for meeting such policy goals.

1. If the need is to protect consumers against fraud, the likely recommendation will be to strengthen powers under the Uniform Deceptive Trade Practices Act or require disclosures that will reduce misleading attributes of the specific goods or services.

Not applicable.

2. If the need is to protect consumers against unclean facilities or to promote general health and safety, the likely recommendation will be to require periodic inspections of such facilities.

Not applicable.

3. If the need is to protect consumers against potential damages from failure by providers to complete a contract fully or up to standards, the likely recommendation will be to require that providers be bonded.

Current requirements are sufficient to protect consumers.

4. If the need is to protect a person who is not party to a contract between the provider and consumer, the likely recommendation will be to require that the provider have insurance.

Electrical Contractors, Class A Electrical Contractors, Class B Electrical Contractors, an Class A Master license holders actively engaged in the ownership and operation of an electrical contracting firm are required to maintain minimum liability insurance in the amount of \$100,000.00 for each person, \$300,000.00 for each incident and \$100,000.00 for property damage by the State Electrical Board Rules and Regulations.⁷

⁷ Nebraska Administrative Code Title 100 Electrical Code; Rule Number 7; Liability Insurance.

5. If the need is to protect consumers against shortfall or imbalance of knowledge about the goods or services relative to the provider's knowledge, the likely recommendation will be to enact government certification.

Current certification and licensing is sufficient.

6. If the need is to address a systematic information shortfall such that a reasonable consumer is unable to distinguish between the quality of providers, there is an absence of institutions that provide adequate guidance to the consumer, and the consumer's inability to distinguish between providers and the lack of adequate guidance for undue risk of present, significant and substantiated harms, the likely recommendation will be to enact an occupational license.

Current occupational licensing is sufficient.

Committee Conclusion and Recommendation

The Committee recommends that all classifications of Electricians continue to be licensed and regulated in the State of Nebraska by the State Electrical Division and Board. The Committee does not recommend any changes to the current occupational license and regulatory scheme of Electricians at this time.

Appendix I: Committee Surveys

Occupational Board Reform Act

General Information

Committee of Jurisdiction:	General Affairs
Occupation Regulated:	Electrical
Occupational Board:	Electrical Board, State
Contact:	Craig Thelen
Purpose:	Public safety through safe and code compliant installations. the electrical division issues electrical licenses, electrical permits, conducts electrical examinations and investigates any death by electrocution that occurs within the State of Nebraska
Regulated Professionals:	18,480
Year Created:	1969
Year Active:	1975
Sunset Date:	None

Authorization

Statutory Authorization:	81-2101 through 81-2144
Parent Agency:	Governor

Membership

Number of Members:	7
Who Appoints:	Governor
Legislative Approval:	Yes
Qualifications of Members:	Members shall be a journeyman electrician, one shall be an electrical contractor or master electrician, one shall be a certified electrical inspector, one shall be a licensed professional electrical engineer, one shall be a representative of a public power district or rural electric cooperative in the state, one shall be a representative of the municipal electric systems in the state, and one shall be a member of any of such groups.
Per Diem:	No
Expense Reimbursement:	Yes
Term Length:	5 years
Terms Rotate or Expire at Once:	Terms Rotate
Meetings	
Required FY 2023-2022:	6
Held FY 2023-2022:	6
Required FY 2022-2021:	6
Held FY 2022-2021:	6
Required FY 2021-2020:	6

**Held FY
2021-2020:** 6

**Required FY
2020-2019:** 6

**Held FY
2020-2019:** 6

**Required FY
2019-2018:** 6

**Held FY
2019-2018:** 6

Operations

Support Staff: 21

**Shared or
Separate:** Shared with Electrical Division

**FY 2023-2022
Budget:** \$2,768,684.00

**FY 2022-2021
Budget:** \$2,443,131.00

**FY 2021-2020
Budget:** \$2,684,943.00

**FY 2020-2019
Budget:** \$1,973,403.00

**FY 2019-2018
Budget:** \$2,092,143.00

**Other Funding
Sources:** None

**Spending
Authority:** 81-2104

Other

Government Certificates Issued:	18,480
Issued Certificate Descriptions:	Electrical Contractor, Journeyman, Residential, Specialty, Apprentice
Government Certificates Revoked:	0
Revoked Certificate Descriptions:	None
Government Certificates Denied:	0
Denied Certificate Descriptions:	None
Government Certificates Penalties Against:	1
Penalty Certificate Descriptions:	Repeated work that was not properly permitted and inspected. The wiring was unsafe and put the customer and family at risk of a potential electrical hazard. The Board reviewed the case and determined that a suspended contractor's license was the appropriate penalty.
Explanation of Effectiveness:	https://nebraskalegislature.gov/pdf/SurveyDocs/explanation1700660782.pdf
Potential Harm	The State of Nebraska would get unqualified electricians doing the work and this is a huge safety concern for the constituents of Nebraska. This could result in an increased potential for fires, electrocutions with potential fatalities. De-regulation of this industry would be a very dangerous proposition especially from an insurance perspective.

Regulation Comparison: <https://nebraskalegislature.gov/pdf/SurveyDocs/comparison1700660782.pdf>

Subject to Regulations of Act(LB407): No

Survey Submitted: November 22, 2023 07:46 AM