

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 44

(Senator McCray)

Education, Energy, and the Environment

Economic Matters

Maryland Electricians Act – Revisions

This emergency bill makes several changes to the Maryland Electricians Act. Specifically, the bill (1) clarifies the entity that must approve a registered apprenticeship program for electricians; (2) substitutes the term “uninsured” for “inactive” in provisions of law relating to liability insurance requirements for master electricians; (3) prohibits certain persons from contracting to provide electrical services unless the work is covered by specified insurance; (4) delineates who is authorized and required to purchase insurance when providing electrical services; and (5) requires the State Board of Electricians to specify on each license whether the license holder meets the relevant insurance requirements.

Fiscal Summary

State Effect: The bill’s provisions are generally technical or procedural in nature and are not expected to have any material impact on licensing activities. The State Board of Electricians can handle the bill’s administrative changes with existing resources. No effect on revenues.

Local Effect: The bill is not anticipated to materially affect local government finances or operations.

Small Business Effect: Meaningful.

Analysis

Bill Summary/Current Law:

Approval of Apprenticeship Program for Electricians

Chapter 257 of 2017 designated the Division of Workforce Development and Adult Learning (DWDAL) within the Maryland Department of Labor (MDL) as the State Apprenticeship Agency under federal law, making it the sole entity authorized to approve registered apprenticeships in the State. Under current law, the Maryland Apprenticeship and Training Council (MATC), which previously authorized apprenticeship programs, currently serves in an advisory capacity to DWDAL. The change in status enacted by Chapter 257 was made to bring State law into conformity with federal regulations that require state officials to be held accountable for the oversight and management of state apprenticeship programs. The bill corrects erroneous references in the Maryland Electricians Act to apprenticeship programs authorized by MATC instead of DWDAL.

Specifically, the Maryland Electricians Act currently requires continuing education requirements to be administered by a college or an apprenticeship program approved by MATC or the federal Office of Apprenticeship, among other entities. The bill requires DWDAL, rather than MATC, to approve any such program.

Similarly, MATC (as well as the federal Office of Apprenticeship) are the entities charged with approving electrician apprenticeship programs in the Maryland Electricians Act. The bill specifies that DWDAL, rather than MATC, approves the apprenticeship programs.

Inactive Licensing Status

The bill generally substitutes “uninsured” for “inactive” licensing status in licensing provisions throughout the Maryland Electricians Act.

Under current law, a *master* electrician licensee on inactive status may not use a State license to obtain a local registration for providing electrical services as a master electrician in a local jurisdiction. In a county that requires a State master electrician license, a licensee on inactive status may not provide electrical services as a master electrician. The bill again substitutes “uninsured” for “inactive” and specifies that in a county that requires a State master electrician license, an uninsured master electrician licensee may only provide electrical services as a *journeyperson* electrician (*i.e.*, under the supervision of an insured master electrician).

General Liability and Property Insurance Requirements

Under current law, a master electrician who is licensed by the State Board of Electricians and provides electrical services (or a person to whom a licensed master electrician licensed by the board assigns a local registration under the Maryland Electricians Act) must:

- maintain general liability insurance of at least \$300,000;
- maintain property damage insurance of at least \$100,000; and
- submit proof of the required insurance to the board.

The bill modifies these requirements by specifying that a licensed master electrician, a person whom a licensed master electrician assigns a local registration, or another person who engages in the business of providing electrical services, may not contract to provide electrical services unless the electrical work (including completed operations) of the relevant person is covered by liability insurance for general liability of at least \$300,000 and property damage of at least \$100,000.

The bill establishes that the required insurance may be bought (1) by a master electrician or (2) for a master electrician, by a person who engages in the business of providing electrical services and employs the master electrician. The insurance requirement is not meant to cover electrical services that a master electrician provides outside the scope of employment for the person who carries the insurance.

The bill further establishes that a licensed apprentice electrician or licensed journeyman electrician employed by a licensed master electrician need not obtain separate insurance while providing (or assisting in providing) electrical services under the control and supervision of the licensed master electrician. Subject to specified restrictions regarding uninsured status, uninsured licensees who have had their uninsured status approved by the State Board of Electricians need not obtain insurance while maintaining uninsured status.

Under current law, if a local jurisdiction requires an applicant for a local license to execute a bond to the local jurisdiction, the applicant may satisfy the bond requirement by submitting proof of the required insurance. The bill alters this provision by specifying that it applies to a master electrician or other person who engages in the business of providing electrical services.

Finally, the bill requires the State Board of Electricians to specify on each license whether the license holder meets the relevant insurance requirements.

Small Business Effect: MDL notes that, currently, an inactive master electrician may be hesitant to activate an inactive license because of the insurance requirement. If the inactive master electrician wishes to resume working, the only option is to either obtain insurance

(i.e., as an individual) or assign the license to another company/individual, which restricts the licensee to working for only one person/company. Under the bill, an uninsured master licensee does not require individual insurance and may perform work at the journeyman level for any licensed and insured master electrician, which may encourage more electricians to work.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 149 (Delegate Hornberger) - Economic Matters.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

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