

BEFORE THE STATE ELECTRICAL BOARD
DEPARTMENT OF LABOR AND INDUSTRY
STATE OF MONTANA

In the matter of the amendment of) NOTICE OF AMENDMENT
ARM 24.141.405 fee schedule)

TO: All Concerned Persons

1. On June 6, 2013, the State Electrical Board (board) published MAR Notice No. 24-141-36 regarding the public hearing on the proposed amendment of the above-stated rule, at page 907 of the 2013 Montana Administrative Register, Issue No. 11.

2. On June 27, 2013, a public hearing was held on the proposed amendment of the above-stated rule in Helena. Several comments were received by the July 8, 2013, deadline.

3. The board has thoroughly considered the comments received. A summary of the comments received and the board's responses are as follows:

COMMENT 1: One commenter opposed the fee increase and stated that licensees get nothing for their fees, such as newsletters or correspondence during the year. This commenter noted that a North Dakota license costs \$25 a year and suggested the budget be trimmed or that fees for inspections should go up.

RESPONSE 1: The board appreciates all comments received during the rulemaking process. Staff time, including the Executive Officer's time, has been distributed between several boards, and the department has trimmed costs by sharing other staff, including increased efficiencies in compliance, investigations, and inspections.

COMMENT 2: One commenter expressed extreme dismay and disappointment at the increase from \$135 to \$200 biennially, noting that this is almost a 50 percent increase. This commenter noted that a Montana engineer license fee is only \$90 biennially and suggested that board staff should be cut or shared with other boards, so the workload is commensurate with licensee-based costs.

RESPONSE 2: The board appreciates all comments received in the rulemaking process and notes that staff time, including the Executive Officer's time, has been trimmed and distributed between several boards.

COMMENT 3: One commenter was not totally opposed to the fee increase, since "everything else in the economy is going up," but asked why only the contractors have a token increase if the masters, journeyman, and residential licensee fees are increasing by 48 percent. The commenter suggested that everyone in the industry should share the load equally.

RESPONSE 3: The board notes that the last fee increase was in 2011, which raised the contractor's fee from \$200 to \$275. Contractor license fees were raised first and equalized the load.

COMMENT 4: One commenter said the proposed fee increase was "steep" and suggested that \$175 might be more appropriate.

RESPONSE 4: The fee increase has been an ongoing process. If it is reconsidered now, the board may have to raise fees again in the coming years.

COMMENT 5: One commenter stated that a 48 percent increase is way out-of-line and asked how a fee increase now would help, since licenses do not renew until July 2014.

RESPONSE 5: It will take approximately six months to process the fee increase through the rulemaking process. The board is trying to be proactive by giving the licensees time to adjust to the new fee.

COMMENT 6: One commenter noted that there was nothing in the statement of reasonable necessity outlining how increased efficiency might help, such as in the audits of CEUs that often are duplicative. This commenter suggested renewing licenses on birthdays to avoid an increased workload every two years, or going back to the three-year code cycle to reduce expenses. This commenter also asked about the rules comment process and asked to be placed on the interested parties' list.

RESPONSE 6: The board cannot enact a three-year renewal cycle due to the mandatory biennial (two-year) budget period. To have licensees renew every year on their birthdays would actually increase fees, as the board would have to reinvent the database for the board and each person would have to renew and have their CEUs due on a different date. This would be too difficult to track. Staff has placed the commenter on the interested parties' list.

COMMENT 7: One commenter stated that a \$65 increase is too much for a journeyman to pay, since work has fallen for journeymen, and asked why a shortage could not have been foreseen and forestalled with a slight increase earlier.

RESPONSE 7: There was a slight increase in 2011 from \$100 to \$135. The board held off on this increase as long as they could. Additionally, the board hoped that 2013 legislation would give them a reimbursement on costs and that did not happen.

COMMENT 8: One commenter suggested that since the workload has fallen due to fewer licensees, the man-hours needed in the office must have decreased as well. A 48 percent increase does not keep fees commensurate with costs, as provided in 37-1-134, MCA.

RESPONSE 8: The board notes that it takes the same amount of staff and workload to administer 3,500 licensees as it does 4,500. The fee increase is not always or solely based on the number of licensees.

COMMENT 9: One commenter noted the increase in costs of doing business and the hardship this increase will cause to electricians who might not renew in Montana, since they can be licensed in other states for as little as \$25 a year.

RESPONSE 9: The board has no control over whether or not licensees renew, and notes that many factors may determine a licensee's continued desire to renew in Montana.

COMMENT 10: One commenter noted that a 32.5 percent increase was too "steep" in times of recession, and asked the board to reconsider and "trim the fat" from the board's operations.

RESPONSE 10: The fee increase has been an ongoing process. It is needed now to avoid increases in the coming years. Staff time, including the Executive Officer's time, has been distributed between several boards, and the department has trimmed costs by sharing other staff, including increased efficiencies in compliance, investigations, and inspections.

COMMENT 11: Once commenter stated the fee was too high and asked who it would benefit.

RESPONSE 11: The board's legislative mandate is to protect the public and the public is protected when electricians are licensed and regulated.

COMMENT 12: One commenter simply opposed the fee increase.

RESPONSE 12: The board appreciates all comments received during the rulemaking process.

4. The board has amended ARM 24.141.405 exactly as proposed.

STATE ELECTRICAL BOARD
RICK HUTCHINSON, MASTER
ELECTRICIAN, PRESIDENT

/s/ DARCEE L. MOE
Darcee L. Moe
Rule Reviewer

/s/ PAM BUCY
Pam Bucy, Commissioner
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State August 12, 2013