

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Original    Updated    Corrected

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2. Administrative Rule Chapter, Title and Number

SPS 305 and 316

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3. Subject

Electrical code

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4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.165(2)(j)

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6. Fiscal Effect of Implementing the Rule

No Fiscal Effect    Increase Existing Revenues    Increase Costs  
 Indeterminate    Decrease Existing Revenues    Could Absorb Within Agency's Budget  
 Decrease Cost

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7. The Rule Will Impact the Following (Check All That Apply)

State's Economy    Specific Businesses/Sectors  
 Local Government Units    Public Utility Rate Payers  
 Small Businesses (if checked, complete Attachment A)

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8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes    No

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9. Policy Problem Addressed by the Rule

The proposed rules update Wisconsin's electrical code to the 2017 edition of the National Electrical Code (NEC) with certain specified changes, additions, and omissions to the requirements of the NEC.

Out of over 2,300 changes in the 2014 and 2017 editions of the NEC reviewed by department staff and the Electrical Code Advisory Committee, department staff conducted a second review of less than 200 changes it considered to be the most significant. As a result of its additional review, the department determined 11, or less than 1%, of the changes from the 2014 and 2017 editions of the NEC would not be incorporated into Wisconsin's electrical code.

The proposed rules also develop a statewide electrical inspection program, as required by the provisions of 2007 Wisconsin Act 63.

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10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The proposed rules were posted on the Department of Safety and Professional Services' website for 14 days in order to solicit comments from businesses, representative associations, local governmental units, and individuals that may be affected by the rules.

Comments were received from one individual suggesting that some of the changes from the 2014 and 2017 NEC that are not being incorporated into Wisconsin's electrical code would minimally increase the economic impact of the proposed rules. These comments did not affect the department's analysis of the economic impact of the proposed rules.

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11. Identify the local governmental units that participated in the development of this EIA.

No local governmental units participated in the development of this EIA.

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12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The department estimates that this rule will impact local governmental units, specific businesses/sectors, and small businesses. Given the variety of electrical installations subject to the provisions of Wisconsin's electrical code, it is impossible to determine the economic and fiscal impact of the rule on these entities.

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The department also estimates that the proposed rules will have a fiscal impact in order to carry out additional electrical inspections. The majority of the impact would come from contracting out electrical inspections should that become necessary. The estimated total impact is increased costs of \$30,000, which could absorb within the department's budget.

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13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The benefit to implementing the rule is providing updated standards for electrical installations and inspections in this state. If the rule is not implemented, it will continue to reference outdated standards.

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14. Long Range Implications of Implementing the Rule

The long range implication of implementing the rule is updated standards for electrical installations and inspections in this state.

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15. Compare With Approaches Being Used by Federal Government

None

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16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

An Internet-based search found that all adjacent states except Illinois adopt or incorporate by reference the National Electrical Code (NEC).

**Illinois:** Illinois does not administer a statewide electrical code.

**Iowa:** The Iowa Department of Public Safety administers a statewide electrical code that adopts the 2014 edition of the NEC with modifications (661 IAC 504.1).

**Michigan:** The Michigan Department of Licensing and Regulatory Affairs administers a statewide electrical code that incorporates by reference the 2014 edition of the NEC with modifications (Mich Admin Code, R 408.30801).

**Minnesota:** The Minnesota Department of Labor and Industry administers a statewide electrical code that incorporates by reference the 2017 edition of the NEC (Minnesota Rules, Part 1315.0200).

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17. Contact Name

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18. Contact Phone Number

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This document can be made available in alternate formats to individuals with disabilities upon request.

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

### ATTACHMENT A

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

Wisconsin's electrical code applies to a wide range of businesses, including small businesses. The economic and fiscal impact of this rule on small businesses cannot be determined and will vary greatly depending on the size and complexity of each electrical installation. However, the proposed rules are not anticipated to have a significant economic or fiscal impact on any small business sector.

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

The department solicited comments on the economic impact of the proposed rules from industry. The rule was developed with input from the Electrical Code Advisory Committee. The Committee included a range of representatives and held meetings for approximately a year, which provided an opportunity for continual public input on proposed rule provisions and their potential economic impact.

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

With assistance of the members of Electrical Code Advisory Committee, the department carefully reviewed the changes in compliance proposed in the 2017 National Electrical Code updates that were anticipated to increase costs and proposed 11 modifications to keep cost increases of the new code changes to a minimum.

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5. Describe the Rule's Enforcement Provisions

The Wisconsin electrical code adopts the National Electrical Code and then modifies some of the requirements of that code with provisions found in ch. SPS 316 to adapt the code to Wisconsin's unique needs. The proposed rules also develop a statewide electrical inspection program, as required by the provisions of 2007 Wisconsin Act 63.

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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