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Practice Area: Construction Law and Litigation

A little-known change to Wisconsin law is poised to have a big impact on a broad range of facility and sign businesses in this state. Back in 2007, the legislature amended Section 101.862 of the Wisconsin statutes to establish a state electrical wiring code, require registration and licensing of electricians, and provide for building inspections. Those changes went into effect in 2008.

But another part of the law – which goes into effect on April 1, 2013 – provides that any "installation, repair or maintenance of electrical wiring" must be performed by a licensed electrician. It also requires companies doing such work to be licensed electricians. This will impact the building/sign owners and those who service them to now hire licensed electricians and pay the associated increased cost for this work. Historically, property management firms do not use licensed electricians to replace fluorescent ballasts and lighting transformers.

The Wisconsin Department of Safety and Professional Services ("SPS") has stated that the regulations will apply to such routine work as changing lighting ballasts and transformers for pole lights in parking lots, electric signs, and fluorescent lighting in office/residential/retail spaces. Consequently, the new requirements will impact virtually all companies that perform maintenance on illuminated signs and facility lighting. Affected businesses include both facility owners and their service providers:

- Property Management Companies
- Lighting Maintenance Contractors
- Owners of Commercial and Rental Properties who hire outside maintenance providers
- Illuminated Sign/Billboard Companies
- Manufacturing and Industrial Facilities

Unless you are the facility building owners, any business that replaces lighting ballasts or transformers will require a licensed electrician for this task. There are some "safe harbor" provisions to exempt certain work performed by the building owner's "in-house" maintenance staff, public utilities, and persons who work on elevators, escalators, alarm systems and low-voltage systems.

Penalties for property owners who fail to comply are up to \$100 per violation. Each day of non-compliance may be considered a separate offense, so the total amount of a fine could become quite high. Penalties for contractors who are not properly licensed are \$250 for the first offense, \$500 for the second offense and \$1,000 for the third offense. Contractors are also subject to the penalties that apply to property owners.

The new law and regulatory structure present a significant compliance challenge for Wisconsin businesses that service buildings, parking lighting or the sign industry. It is vital that those businesses take immediate steps to understand whether they are subject to the new regulations and, if so, to ensure that they are compliant. Owners of commercial buildings and sign companies should expect higher costs.

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