



Possible Fire Sprinkler License Would Be Nation's Most Restrictive

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Over the past few years, pressure has grown on Michigan lawmakers to roll back occupational licensure mandates that are increasingly regarded as unnecessary or excessively burdensome.

At the same time, special interests in a broad range of occupations persistently lobby for new license mandates, often hoping that their high fees and requirements for time-consuming certification, testing, “apprenticeship,” “continuing education” and more will keep future competition down and prices up.

Michigan’s Legislature may soon impose a new licensure mandate, this time on fire sprinkler installers. As proposed, the measure would appear to give Michigan the most rigid license mandate in the country for these workers.

The bill has not yet been introduced, but a draft seen by Michigan Capitol Confidential would impose new state mandates and restrictions on installers, with new penalties for failure to comply. The requirements include:

- To qualify for a license, an individual would have to complete a four-year apprenticeship program approved by the state or federal government, or accumulate five years of experience working for someone else. These mandates would exceed those imposed by any other state.
- Approved apprenticeship programs would have to include at least 8,000 hours of “documented practical experience” and “a minimum 280 hours of classroom, shop, or related instruction in the fire protection trade.” Journeymen would also pass a test created by a Michigan Fire Sprinkler Board, composed of political appointees who are incumbent members of this profession.
- Licenses would last one year, requiring annual renewals.
- License costs would include a \$100 application fee and a \$150 renewal fee.
- Sprinkler installers representing public commissions or government authorities would be exempted.
- Practicing without a license would be considered a misdemeanor.

To put that in context, licensed attorneys in Michigan are required to accumulate just 1,200 classroom hours to practice law.

Michigan fire suppression system installers are already restricted by requirements that vendors have a state contractor license, with additional certifications required to install systems in schools, hospitals, hotels, prisons and certain other buildings used by the public. In addition, many local governments require their own permits to install systems in private residences.

In addition, private groups like the National Fire Protection Association lobby for expanded regulations and offer their own training and certification programs for inspecting, testing, and maintaining fire sprinkler systems.

Doug Irvine, chairman of the American Fire Sprinkler Association of Michigan, declined to comment on why the state is establishing further licensing.

“Licensing in any occupation acts as a barrier to entry,” said Dick Carpenter of the Institute for Justice. “It makes it harder for people to enter an occupation, and it makes it harder for employers to find people to work in jobs. The barriers to entry also tend to fall hardest on those from low-income backgrounds. People from middle and high-income backgrounds have the resources necessary to complete licensing requirements, but those from low-income backgrounds lack such resources and often either have to assume significant debt to earn the license or choose another occupation entirely.”

His statement appears to be supported by a recent study by the Cato Institute, which found that occupational licensing reduces labor supply by an average of 17% to 27%. Michigan currently requires licenses for 49 of the 102 lower-income occupations IJ studied. The organization ranked Michigan’s laws the 33rd-most burdensome in the nation.

Licensing also affects the consumer. Carpenter said that having fewer people able to work in the industry means less competition, allowing those already working in the field to command higher prices.

“Of course, in this case, most everyday consumers are not going to hire fire sprinkler installers directly,” he said, “but the artificially inflated prices of sprinkler installers are added to the overall costs of building projects on which they work. This means consumers will pay eventually, in the form of higher rents or, in the case of government buildings, higher taxes.”

Advocates of expanding occupational licensure mandates may have good intentions, but Carpenter said that adding unnecessary government regulations only burdens the consumer and worker alike.

“For every proposed license, there should be systematic evidence presented of a need to protect public health and safety and, if necessary, consideration given to the least restrictive option that best meets that need,” he said. “When licenses are proposed and adopted absent such a process, that is a step backward.”

State Sen. Lana Theis, R-Brighton, has introduced a bill to require periodic review of Michigan licensure mandates to ensure they focus on protecting the health and safety of the public without being unnecessarily burdensome. Her proposal, Senate Bill 40, has not been taken up by lawmakers.