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House Bill 4582 (Substitute S-1 as reported)
House Bill 5284 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Representative Frank D. Foster (H.B. 4582)
Representative Marilyn Lane (H.B. 5284)
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

House Bill 4582 (S-1) would amend Article 24 (Residential Builders) of the Occupational Code to do the following:

- Provide an exemption from prelicensure course of study requirements for licensure under Article 24.
- Revise continuing competency requirements for a licensee under Article 24.
- Delete provisions incorporating educational courses described in a 2005 publication of the National Association of Home Builders as approved for meeting the continuing competency requirements of Article 24.
- Revise requirements regarding a licensee's inactive status.

Article 24 requires an applicant for initial licensure as a residential builder or as a residential maintenance and alteration contractor to successfully complete prelicensure courses of study, and specifies courses and hours of study that must be completed. An applicant must successfully complete 60 hours of approved prelicensure courses consisting of at least six hours of courses in specified areas of competency.

Under the bill, an individual would be exempt from the prelicensure study requirements if he or she were applying for a license or relicensure as a residential builder or residential maintenance and alteration contractor, if both of the following were met:

- The application was submitted 18 months after the bill's effective date.
- The applicant held an individual license as a residential builder or residential maintenance and alteration contractor, or held a license as a qualifying officer of a licensed residential builder or residential maintenance and alteration contractor, at any time within the nine years preceding his or her application.

House Bill 5284 (S-1) would amend Article 24 to do the following:

- Delete the authority of the Department of Licensing and Regulatory Affairs (LARA) to require evidence of an applicant's or licensee's financial stability.
- Establish licensure requirements for an applicant for licensure or relicensure who previously had been licensed and subsequently was denied licensure because of financial instability.

Article 24 allows LARA to require an applicant for licensure, a licensee, or each partner, trustee, director, officer, member, or shareholder to submit evidence of good moral

character and financial stability. The bill would delete LARA's authority to require evidence of financial stability.

Under the bill, the following provisions would apply to an individual who applied for a license or relicensure as a residential builder or residential maintenance and alteration contractor, who was a qualifying officer on December 21, 2007, and subsequently was denied an individual license because of financial instability.

The Department would have to determine whether the applicant should receive a license under Article 24 and what requirements the applicant would have to meet to qualify for that license. In making that determination, LARA would have to consider the information it received concerning good moral character, would have to determine whether the applicant was required to pass an examination, and could require him or her to meet other requirements for licensure. An applicant would have to certify that he or she successfully completed at least three hours of activities that demonstrated continuing competency in the 12 months immediately preceding the date of application. Those activities would have to include one hour of codes, one hour of safety, and one hour of activities designed to develop an understanding and ability to apply State building codes and laws relating to the licensed occupation.

House Bill 4582 (S-1) would take effect 90 days after its enactment. House Bill 5284 (S-1) is tie-barred to House Bill 4582.

MCL 339.2404b (H.B. 4582)
339.2404 et al. (H.B. 5284)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Date Completed: 6-4-14

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.