

Act No. 175  
Public Acts of 2014  
Approved by the Governor  
June 17, 2014  
Filed with the Secretary of State  
June 17, 2014  
EFFECTIVE DATE: September 16, 2014

**STATE OF MICHIGAN  
97TH LEGISLATURE  
REGULAR SESSION OF 2014**

Introduced by Rep. Foster

# **ENROLLED HOUSE BILL No. 4582**

AN ACT to amend 1980 PA 299, entitled “An act to revise, consolidate, and classify the laws of this state regarding the regulation of certain occupations and to regulate certain persons and activities relative to those occupations; to create a board for each of those occupations; to establish the powers and duties of certain departments and agencies and the boards of each occupation; to provide for the promulgation of rules; to provide for certain fees; to provide for penalties and civil fines; to establish rights, relationships, and remedies of certain persons under certain circumstances; to provide immunity from certain civil liability for certain entities and certain related occupations under certain circumstances; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending section 2404b (MCL 339.2404b), as amended by 2013 PA 169.

*The People of the State of Michigan enact:*

Sec. 2404b. (1) Beginning June 1, 2008, an applicant for initial licensure either as a residential builder or as a residential maintenance and alteration contractor must successfully complete the precensure course of study requirements under this subsection to obtain a license unless he or she is exempt from those requirements under this section. All of the following apply for purposes of this subsection:

(a) If an individual who holds a residential builder or a residential maintenance and alteration contractor license, or an individual who held a license as a qualifying officer of a licensed residential builder or residential maintenance and alteration contractor, on June 1, 2008 is renewing a license, he or she is exempt from the requirement of successfully completing precensure courses described in this subsection.

(b) If an individual is applying for a license or relicensure as a residential builder or residential maintenance and alteration contractor, he or she is exempt from the requirement of successfully completing precensure courses described in this subsection if all of the following are met:

(i) His or her application is submitted before the expiration of the 18-month period beginning on the effective date of the amendatory act that added this subdivision. This subdivision does not apply to applications that are submitted after that 18-month period.

(ii) He or she 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 9-year period preceding his or her application.

(c) Unless he or she is exempt under subdivision (a) or (b), an applicant shall not receive an initial license under this act unless he or she successfully completed 60 hours of approved precursors courses that include at least 6 hours of courses in each of the following areas of competency:

(i) Business management, estimating, and job costing.

(ii) Design and building science.

(iii) Contracts, liability, and risk management.

(iv) Marketing and sales.

(v) Project management and scheduling.

(vi) The current Michigan residential code.

(vii) Construction safety standards promulgated under the Michigan occupational safety and health act, 1974 PA 154, MCL 408.1001 to 408.1094.

(2) All of the following apply to an individual license under this article, as applicable:

(a) Subject to subdivision (b), if the individual licensee obtained his or her initial license as a residential builder or a residential maintenance and alteration contractor on or after January 1, 2009, he or she must successfully complete at least 21 hours of activities that demonstrate continuing competence in each 3-year license cycle, including both of the following:

(i) At least 3 hours of activities that demonstrate continuing competency in each calendar year, during the first 6 calendar years of licensure.

(ii) At least 3 hours of activities designed to develop a licensee's understanding and ability to apply state building codes and laws relating to the licensed occupation, safety, and changes in construction and business management laws.

(b) If an individual licensee described in subdivision (a) was exempt from the precursors course requirements of subsection (1) under subsection (1)(b) when he or she obtained his or her initial license as a residential builder or residential maintenance and alteration contractor, the hours of activities that he or she must complete in the first year of his or her first 3-year license cycle under subdivision (a) must include successful completion of at least 1 hour of codes, 1 hour of safety, and 1 hour of legal issues described in this subsection.

(c) If the licensee was initially licensed as a licensed 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, before January 1, 2009, he or she has held a license for not more than two 3-year license cycles, and the department has not taken disciplinary action against him or her for a violation of this act or a rule promulgated under this act, he or she must successfully complete at least 3 hours of activities that demonstrate continuing competency in each 3-year license cycle that includes at least 1 hour of codes, 1 hour of safety, and 1 hour of legal issues described in this subsection.

(d) If the licensee has held a license for more than two 3-year license cycles, and the department has not taken disciplinary action against him or her for a violation of this act or a rule promulgated under this act, he or she must successfully complete at least 3 hours of activities demonstrating continuing competency in each license cycle that includes 1 hour of codes, 1 hour of safety, and 1 hour of legal issues as described in this subsection.

(3) In addition to the requirements of subsection (2), if the department has taken disciplinary action against a licensee for a violation of this act or a rule promulgated under this act, the licensee must successfully complete, during the next complete license cycle, at least 3 and not more than 21 hours of activities that demonstrate the development of continuing competency during that next license cycle as determined appropriate by order of the department. At least 3 hours of the continuing competency must include 1 hour of codes, 1 hour of safety, and 1 hour of legal issues as described in subsection (2).

(4) Any construction code update courses approved by the bureau of construction codes and any fire safety or workplace safety courses approved or sponsored by the department are also considered appropriate for fulfilling the continuing competency requirements of this section. The department may, by rule, amend, supplement, update, substitute, or determine equivalency regarding any courses or alternate activities for developing continuing competency described in this section.

(5) The subject matter of the precursors and continuing competency activities required under this section may be offered by a high school, an intermediate school district, a community college, a university, the bureau of construction codes, the Michigan occupational safety and health administration, a trade association, or any other proprietary school that is licensed by the department.

(6) The department shall promulgate rules to provide for the following:

(a) Requirements other than those listed in subsection (4) for determining that a course meets the minimum criteria for developing and maintaining continuing competency.

(b) Requirements for acceptable courses offered at seminars and conventions by trade associations, research institutes, risk management entities, manufacturers, suppliers, governmental agencies other than those named in subsection (4), consulting agencies, or other entities.

(c) Acceptable distance learning.

(d) Alternate forms of continuing competency, including comprehensive testing, participation in mentoring programs, research, participation in code hearings conducted by the international code council, and publication of articles in trade journals or regional magazines as an expert in the field. The alternate forms shall be designed to maintain and improve the licensee's ability to perform the occupation with competence and shall prescribe proofs that are necessary to demonstrate that the licensee has fulfilled the requirements of continuing competency.

(7) Each licensee may select approved courses in his or her subject matter area or specialty. A licensee's service as a lecturer or discussion leader in an approved course shall count toward his or her continuing competency requirements under this section. Alternate forms of continuing competency may be earned and documented as promulgated in rules by the department.

(8) The department may audit a predetermined percentage of licensees who renew in a year for compliance with the requirements of this section. Failure to comply with the audit or the requirements shall result in the investigation of a complaint initiated by the department, and the licensee is subject to the penalties prescribed in this act.

(9) Before the effective date of the amendatory act that added subsection (10), a licensed residential builder or residential alteration and maintenance contractor may apply for inactive status by completing an application, made available by the department, in which he or she declares that he or she is no longer actively engaged in the practice authorized by his or her license and temporarily intends to suspend activity authorized by his or her license. If a completed application is submitted, the department shall designate the licensee as inactive and note that status on records available to the public. A licensee who is designated as inactive must have a current copy of the Michigan residential code and is exempt from the continuing competency requirements imposed under this section, but must still pay the per-year license fee. An inactive licensee may activate his or her license by submitting an application to the department requesting activation of the license. If the department activates an inactive license, the licensee must complete at least 1 credit hour of activities that demonstrate continuing competency for that calendar year.

(10) An individual licensee who applied for and was designated inactive under subsection (9) before the effective date of this subsection may remain in inactive status after that effective date by complying with the requirements of subsection (9). A licensee who remains in inactive status after the effective date of this subsection is exempt from the continuing competency requirements of this section while he or she remains in inactive status. A licensee may activate his or her license by submitting an application to the department requesting activation of the license. If his or her license is activated, the licensee must complete at least 1 credit hour of activities that demonstrate continuing competency for that calendar year.

(11) Subject to subsection (13), an applicant for initial licensure as a residential builder or residential maintenance and alteration contractor is exempt from the requirements of subsection (1) if he or she meets all of the following:

(a) Served in the armed forces.

(b) While serving in the armed forces, was engaged in the erection, construction, replacement, repair, alteration, or demolition of buildings or other structures.

(c) Was separated from service in the armed forces, and provides to the department a form DD214, form DD215, or any other form that is satisfactory to the department that demonstrates that he or she was separated from that service, with an honorable character of service or under honorable conditions (general) character of service.

(d) Has, and provides with his or her application an affidavit signed by a commanding officer, supervisor, or military superior with direct knowledge of the applicant's service that he or she has, entry-level experience in or basic knowledge of each of the areas of competency described in subsection (1)(a) to (g).

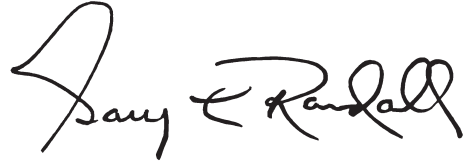
(12) If an applicant who otherwise meets the requirements of subsection (11) does not have entry-level experience in or basic knowledge of each of the areas of competency described in subsection (1)(a) to (g), he or she may provide with his or her application an affidavit signed by a commanding officer, supervisor, or military superior with direct knowledge of the applicant's service that states in which of those areas of competency the applicant has entry-level experience or basic knowledge, and the department may in its discretion grant the applicant credit toward the 60-hour prelicensure education requirement of subsection (1) based on that experience or knowledge.

(13) If an applicant for initial licensure as a residential builder or residential maintenance and alteration contractor described in subsection (11) does not pass the examination for that license the first time he or she takes the examination, that applicant may not retake the examination until he or she successfully completes a prelicensure course of study described in subsection (1).

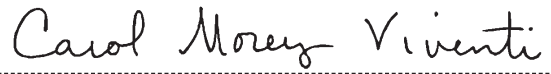
(14) As used in the section, "armed forces" means that term as defined in section 2 of the veteran right to employment services act, 1994 PA 39, MCL 35.1092.

Enacting section 1. This amendatory act takes effect upon the expiration of 90 days after the date it is enacted into law.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor