

SUBSTITUTE FOR
HOUSE BILL NO. 4756

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending section 2404b (MCL 339.2404b), as added by 2007 PA 157.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2404b. (1) Beginning ~~the effective date of the amendatory~~
2 ~~act that added this section, applicants~~ **JUNE 1, 2008, AN APPLICANT**
3 for initial licensure either as a residential builder or as a
4 residential maintenance and alteration contractor ~~shall~~ **MUST**
5 successfully complete a prelicensure course of study as ~~prescribed~~
6 ~~by~~ **REQUIRED UNDER** this subsection **TO OBTAIN A LICENSE**. Licensees
7 ~~holding~~ **A LICENSEE THAT HOLDS** a residential builder or a
8 residential maintenance and alteration contractor license on ~~the~~
9 ~~effective date of the amendatory act that added this section that~~

1 ~~are~~ **JUNE 1, 2008 AND IS** renewing a license in the capacity of an
 2 individual or qualifying officer, or both, ~~are~~ **IS** exempt from the
 3 requirement of successfully completing prelicensure courses
 4 described in this subsection. ~~The~~ **SUBJECT TO SUBSECTIONS (11) AND**
 5 **(12), THE** department shall require an applicant ~~not exempted~~ **WHO IS**
 6 **NOT EXEMPT** under this subsection to successfully complete 60 hours
 7 of approved prelicensure courses consisting of at least 6 hours of
 8 courses in each of the following areas of competency:

- 9 (a) Business management, estimating, and job costing.
- 10 (b) Design and building science.
- 11 (c) Contracts, liability, and risk management.
- 12 (d) Marketing and sales.
- 13 (e) Project management and scheduling.
- 14 (f) The current Michigan residential code.
- 15 (g) Construction safety standards promulgated under the
- 16 Michigan occupational safety and health act, 1974 PA 154, MCL
- 17 408.1001 to 408.1094.

18 (2) Beginning **IN** the **2009** calendar year, ~~after the effective~~
 19 ~~date of the amendatory act that added this section, a person~~
 20 ~~obtaining initial licensure~~ **AN INDIVIDUAL SHALL NOT RECEIVE AN**
 21 **INITIAL LICENSE** under this article as a residential builder or a
 22 residential maintenance and alteration contractor ~~shall~~ **IF HE OR**
 23 **SHE DOES NOT** successfully complete ~~not less than 1 OF THE~~
 24 **FOLLOWING:**

25 (A) **IF SUBDIVISION (B) DOES NOT APPLY, AT LEAST** 3 hours of
 26 activities demonstrating continuing competency ~~per~~ **IN EACH** calendar
 27 year, during the first 6 calendar years of licensure, and 21 hours

~~per~~ **IN EACH** 3-year time period since the issuance of his or her license. At least 3 hours shall be devoted to those 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. A

(B) IF A licensee ~~who has held a license for more than 6 years or who AND has not been determined by the department in~~ **THE SUBJECT OF** a final order ~~to have violated this act or a rule adopted under this act shall successfully complete~~ **UNDER SUBSECTION (3)**, at least 3 hours of activities demonstrating continuing competency ~~per~~ **IN EACH** license cycle ~~to include~~ **THAT INCLUDES** 1 hour of codes, 1 hour of safety, and 1 hour of legal issues as described in this subsection.

~~(3) In the case of a licensee who has been~~ **IF THE DEPARTMENT HAS** determined ~~by the department in a final order to have~~ **THAT A LICENSEE HAS** violated this act or a rule adopted under this act, ~~he or she shall~~ **THE LICENSEE MUST** successfully complete, during the next complete license cycle, up to 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 that continuing competency to include~~ **THAT INCLUDES AT LEAST** 1 hour of codes, 1 hour of safety, and 1 hour of legal issues as described in subsection (2).

~~(4) As activities that demonstrate the development of continuing competency,~~ **FOR PURPOSES OF THIS SECTION**, the education courses described in section 3, pages 3-6 ~~through~~ **TO** 3-58 of the January 2005 edition of the publication "NAHB University of

1 Housing, Blueprint for Success", published by the national
2 association of home builders, and taught by instructors meeting the
3 requirements of section 4, pages 4-5 through 4-9 of the January
4 2005 edition of "NAHB University of Housing, Blueprint for
5 Success", are considered approved, are considered appropriate for
6 fulfilling the prelicensure and continuing competency requirements
7 of subsections (1), (2), and (3), and are incorporated by
8 reference. A licensee may take any courses equivalent to ~~those~~ **THE**
9 courses incorporated by reference by this subsection. Updates to
10 the courses described in this subsection or equivalent courses are
11 acceptable unless the department determines that the courses do not
12 provide a means of developing and maintaining continuing competency
13 for those applicants or licensees who successfully fulfill the
14 course requirements. Any construction code update courses approved
15 by the bureau of construction codes ~~as well as~~ **AND ANY** fire safety
16 or workplace safety courses approved or sponsored by the department
17 are also considered appropriate for fulfilling the continuing
18 competency requirements of this subsection. The department may, by
19 rule, amend, supplement, update, substitute, or determine
20 equivalency regarding any courses or alternate activities for
21 developing continuing competency described in this subsection.

22 (5) The department may waive the requirement of membership in
23 a local, state, or national trade association contained in the
24 instructor standards of section 4, pages 4-5 ~~through~~ **TO** 4-9 of the
25 January 2005 edition of the publication "NAHB University of
26 Housing, Blueprint for Success", published by the national
27 association of home builders, and incorporated by reference. By

1 rule, the department may amend, supplement, update, substitute, or
2 determine equivalency regarding the standards in this subsection
3 and shall establish instructor qualifications for courses not
4 incorporated by reference in subsection (4).

5 (6) The subject matter of the prelicensure and continuing
6 competency activities may be offered by a high school, **AN**
7 intermediate school district, **A** community college, **A** university,
8 **THE** bureau of construction codes, **THE** Michigan occupational safety
9 and health administration, **A** trade association, or a proprietary
10 school **THAT IS** licensed by the department as meeting the subject
11 matter qualifications described in subsection (4) and the
12 instructional qualifications described in subsection (5).

13 (7) The department shall promulgate rules to provide for the
14 following:

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

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

23 (c) Acceptable distance learning.

24 (d) Alternate forms of continuing competency, including
25 comprehensive testing, participation in mentoring programs,
26 research, participation in code hearings conducted by the
27 international code council, and publication of articles in a trade

1 ~~journal~~ **JOURNALS** or regional ~~magazine~~ **MAGAZINES** as an expert in the
2 field. The alternate forms shall be designed to maintain and
3 improve the licensee's ability to perform the occupation with
4 competence and shall prescribe proofs that are necessary to
5 demonstrate that the licensee has fulfilled the requirements of
6 continuing competency.

7 (8) Each licensee may select approved courses in his or her
8 subject matter area or specialty. Service as a lecturer or
9 discussion leader in an approved course shall be counted toward the
10 continuing competency requirements of this section. Alternate forms
11 of continuing competency may be earned and documented as
12 promulgated in rules by the department.

13 (9) The department may audit a predetermined percentage of
14 licensees who renew in a year ~~for~~ **TO DETERMINE THEIR** compliance
15 with ~~the requirements of this section. Failure~~ **THE DEPARTMENT SHALL**
16 **INITIATE A COMPLAINT AGAINST AND INVESTIGATE A LICENSEE THAT FAILS**
17 to comply with ~~the~~ **AN** audit or the requirements ~~shall result in the~~
18 ~~investigation of a complaint initiated by the department,~~ **OF THIS**
19 **SECTION,** and the licensee is subject to the penalties prescribed in
20 this act **FOR THAT FAILURE.**

21 (10) A ~~licensee as a~~ **LICENSED** residential builder or
22 residential alteration and maintenance contractor may apply for
23 inactive status by completing an application, made available by the
24 department, in which he or she declares that he or she is no longer
25 actively engaged in the practice authorized by his or her license
26 and temporarily intends to suspend activity authorized by his or
27 her license. ~~Upon submission of~~ **IF** a completed application **IS**

1 SUBMITTED, the department shall designate the licensee as inactive
2 and note that status on records available to the public. A licensee
3 WHO IS designated as inactive must have a current copy of the
4 Michigan residential code and is exempt from the continuing
5 competency requirements imposed under this section, but must still
6 pay the per-year license fee. An inactive licensee may activate his
7 or her license by submitting an application to the department
8 requesting activation of the license. ~~Upon activation of a~~ IF THE
9 DEPARTMENT ACTIVATES AN INACTIVE license, the licensee must
10 complete at least 1 credit hour of continuing competency for that
11 calendar year.

12 (11) SUBJECT TO SUBSECTION (13), AN APPLICANT FOR INITIAL
13 LICENSURE AS A RESIDENTIAL BUILDER OR RESIDENTIAL MAINTENANCE AND
14 ALTERATION CONTRACTOR IS EXEMPT FROM THE REQUIREMENTS OF SUBSECTION
15 (1) IF HE OR SHE MEETS ALL OF THE FOLLOWING:

16 (A) SERVED AS AN ACTIVE DUTY MEMBER OF THE ARMED FORCES.

17 (B) WHILE ON ACTIVE DUTY, WAS ENGAGED IN THE ERECTION,
18 CONSTRUCTION, REPLACEMENT, REPAIR, ALTERATION, OR DEMOLITION OF
19 BUILDINGS OR OTHER STRUCTURES.

20 (C) WAS NOT DISHONORABLY DISCHARGED FROM MILITARY SERVICE.

21 (D) HAS, AND PROVIDES WITH HIS OR HER APPLICATION AN AFFIDAVIT
22 SIGNED BY A COMMANDING OFFICER, SUPERVISOR, OR MILITARY SUPERIOR
23 WITH DIRECT KNOWLEDGE OF THE APPLICANT'S SERVICE THAT HE OR SHE
24 HAS, ENTRY-LEVEL EXPERIENCE IN OR BASIC KNOWLEDGE OF EACH OF THE
25 AREAS OF COMPETENCY DESCRIBED IN SUBSECTION (1) (A) TO (G).

26 (12) IF AN APPLICANT WHO OTHERWISE MEETS THE REQUIREMENTS OF
27 SUBSECTION (11) DOES NOT HAVE ENTRY-LEVEL EXPERIENCE IN OR BASIC

1 KNOWLEDGE OF EACH OF THE AREAS OF COMPETENCY DESCRIBED IN
2 SUBSECTION (1) (A) TO (G), HE OR SHE MAY PROVIDE WITH HIS OR HER
3 APPLICATION AN AFFIDAVIT SIGNED BY A COMMANDING OFFICER,
4 SUPERVISOR, OR MILITARY SUPERIOR WITH DIRECT KNOWLEDGE OF THE
5 APPLICANT'S SERVICE THAT STATES IN WHICH OF THOSE AREAS OF
6 COMPETENCY THE APPLICANT HAS ENTRY-LEVEL EXPERIENCE OR BASIC
7 KNOWLEDGE, AND THE DEPARTMENT MAY IN ITS DISCRETION GRANT THE
8 APPLICANT CREDIT TOWARD THE 60-HOUR PRELICENSURE EDUCATION
9 REQUIREMENT OF SUBSECTION (1) BASED ON THAT EXPERIENCE OR
10 KNOWLEDGE.

11 (13) IF AN APPLICANT FOR INITIAL LICENSURE AS A RESIDENTIAL
12 BUILDER OR RESIDENTIAL MAINTENANCE AND ALTERATION CONTRACTOR
13 DESCRIBED IN SUBSECTION (11) DOES NOT PASS THE EXAMINATION FOR THAT
14 LICENSE THE FIRST TIME HE OR SHE TAKES THE EXAMINATION, THAT
15 APPLICANT MUST SUCCESSFULLY COMPLETE A PRELICENSURE COURSE OF STUDY
16 DESCRIBED IN SUBSECTION (1) TO OBTAIN A LICENSE.

17 (14) AS USED IN THE SECTION, "ARMED FORCES" MEANS THAT TERM AS
18 DEFINED IN SECTION 2 OF THE VETERAN RIGHT TO EMPLOYMENT SERVICES
19 ACT, 1994 PA 39, MCL 35.1092.

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