## SUBSTITUTE FOR SENATE BILL NO. 312

A bill to amend 1980 PA 299, entitled "Occupational code,"

by amending sections 103, 104, 105, 213, and 2404b (MCL 339.103, 339.104, 339.105, 339.213, and 339.2404b), section 103 as amended by 1994 PA 257, section 104 as amended by 2020 PA 372, section 105 as amended by 2016 PA 502, section 213 as amended by 2014 PA 149, and section 2404b as amended by 2014 PA 175, and by adding section 217.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 103. (1) "Armed forces" means the United States Army, Air
- 2 Force, Navy, Marine Corps, Space Force, or Coast Guard or other
- 3 military force designated by Congress as a part of the Armed Forces
- 4 of the United States, including the reserve components.



- - (3) (2) "Censure" means an expression of disapproval of a licensee's or registrant's professional conduct, which conduct is not necessarily a violation of this act or a rule promulgated or an order issued under this act.
- 9 (4) (3) "Competence" means a degree of expertise which that
  10 enables a person to engage in an occupation at a level which that
  11 meets or exceeds minimal standards of acceptable practice for the
  12 occupation.
  - (5) (4) "Complaint" means an oral or written grievance.
- 14 (6) (5)—"Controlled substance" means a drug, substance, or
  15 immediate precursor as set forth in section 7212, 7214, 7216, 7218,
  16 or 7220 of the public health code, Act No. 368 of the Public Acts
  17 of 1978, being sections 1978 PA 368, MCL 333.7212, 333.7214,
  18 333.7216, 333.7218, and 333.7220, of the Michigan Compiled Laws,
  19 not excluded pursuant to under section 7227 of Act No. 368 of the
  20 Public Acts of 1978, being section the public health code, 1978 PA
- Sec. 104. (1) "Department" means the department of licensing and regulatory affairs.

368, MCL 333.7227. of the Michigan Compiled Laws.

- 24 (2) "Dependent" means a spouse, surviving spouse, child under 25 26 years of age, or surviving child under 26 years of age.
- (3) (2) "Director" means the director of the department or his
   or her authorized representative.
- (4) (3) "Disability" means an infirmity that prevents a board
   member from performing a duty assigned to the board member.

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- 1 (5) (4) "Files" means the records, memoranda, opinions,
  2 minutes, and similar written materials that were formerly in the
  3 physical dominion of a board abolished by this act and the records,
  4 memoranda, opinions, minutes, and similar written materials of a
  5 board created under this act.
- 6 (6) (5)—"Formal complaint" means a document that states the
  7 charges of each alleged violation and is prepared by the department
  8 or the department of attorney general after a complaint is received
  9 by the department.
- 10 (7) (6)—"General public" means each individual residing in
  11 this state who is 18 years of age or older, other than an
  12 individual or the spouse of an individual who is licensed or
  13 registered in the occupation or who has a material financial
  14 interest in the occupation regulated under the specific article in
  15 which the term is used.
- 16 (8) (7) "Good moral character" means good moral character that
  17 term as defined in, and determined under, 1974 PA 381, MCL 338.41
  18 to 338.47.
- (9) (8) "Incompetence" means a departure from, or a failure to
   conform to, minimal standards of acceptable practice for an
   occupation.
- (10) (9) "Knowledge and skill" means the information,
   education, practical experience, and the facility in applying that
   information, education, and practical experience.
  - Sec. 105. (1) "License" means the document issued to a person under this act that enables the person to use a designated title and practice an occupation, which practice would otherwise be prohibited by this act. License includes a document issued by the department that permits a school, institution, or person to offer

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- 1 training or education in an occupation or that permits the
- 2 operation of a facility, establishment, or institution in which an
- 3 occupation is practiced. License includes a permit or approval.
- 4 (2) "Licensee" means any either of the following, as
  5 applicable:
- 6 (a) In articles 1 to 6, a person that is licensed or required7 to be licensed under this act.
- 8 (b) In a specific article of this act, a person that is9 licensed or required to be licensed under that article.
- 10 (3) "Limitation" means a condition, stricture, constraint,
  11 restriction, or probation attached to a license or registration
  12 relative to the scope of practice, including the following:
- (a) A requirement that the licensee or registrant perform onlyspecified functions of the licensee's or registrant's occupation.
- (b) A requirement that the licensee or registrant perform thelicensee's or registrant's occupation only for a specified periodof time.
- 18 (c) A requirement that the licensee or registrant perform the19 licensee's or registrant's occupation only within a specified20 geographical area.
- 21 (d) A requirement that restitution be made or certain work be
  22 performed before a license or registration is issued, renewed, or
  23 reinstated.
- (e) A requirement that a financial statement certified by an
  individual who is licensed as a certified public accountant be
  filed with the department at regular intervals.
- 27 (f) A requirement that reasonably assures ensures a licensee's
  28 or registrant's competence to perform the licensee's or
  29 registrant's occupation.

- (g) A requirement that an attorney review all contracts of a
   licensee or registrant.
- 3 (h) A requirement that a licensee or registrant have on file
- 4 with the department a bond that is issued by a surety insurer
- 5 approved by the department or cash in an amount determined by the
- 6 department.
- 7 (i) A requirement that a licensee or registrant deposit money
- 8 received in an escrow account which that can be disbursed only
- 9 under certain conditions as determined by the licensee or
- 10 registrant and another party.
- 11 (j) A requirement that a licensee or registrant file reports
- 12 with the department at intervals determined by the department.
- 13 (4) "Occupation" means a field of endeavor regulated under
- 14 this act.
- 15 (5) "Person" means any of the following:
- 16 (a) An individual.
- 17 (b) A sole proprietorship, partnership, association,
- 18 corporation, limited liability company, or common law trust.
- 19 (c) A combination of persons described in subdivision (a) or
- **20** (b).
- 21 (d) A department, board, school, institution, establishment,
- 22 or governmental entity.
- 23 (6) "Physical dominion" means control and possession.
- 24 (7) "Physician" means that term as defined in sections 17001
- 25 and 17501 of the public health code, 1978 PA 368, MCL 333.17001 and
- **26** 333.17501.
- 27 (8) "Probation" means a sanction that permits a board to
- 28 evaluate over a period of time a licensee's or registrant's fitness
- 29 to practice an occupation regulated under this act.



- 1 (9) "Public access" means the right of a person to view and 2 copy files under the freedom of information act, 1976 PA 442, MCL 3 15.231 to 15.246.
- 4 (10) "Registrant" means a person that is registered under this act.
- 6 (11) "Registration" means the document issued to a person
  7 under this act that enables the person to use a designated title,
  8 which use would be otherwise prohibited by this act.
- 9 (12) "Rule" means a rule promulgated under this act and under 10 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 11 to 24.328.
- 12 (13) "State" means the District of Columbia or a commonwealth,13 state, or territory of the United States.
- 14 (14) "Uniformed services" means the Commissioned Corps of the 15 United States Public Health Service and the National Oceanic and 16 Atmospheric Administration Commissioned Officer Corps.
- 17 (15) "Veteran" means that term as defined in section 1 of 1965 18 PA 190, MCL 35.61.
- 19 Sec. 213. (1) If a person has not previously been denied a 20 license or a certificate of registration or had a license or a 21 certificate of registration revoked or suspended, the department 22 may grant a nonrenewable temporary license or certificate of 23 registration to an applicant for licensure or registration or 24 transfer of licensure or registration under any of articles 7 to 25 29.—26a. If approved by a board, a temporary license or certificate 26 of registration issued under this subsection is valid until 1 or 27 more of the following occurs:
- 28 (a) The results of the next scheduled examination are 29 available.



- (b) The results of the next required evaluation procedure are
   available.
- 3 (c) A license or certificate of registration is issued.
- 4 (d) The next examination date of an examination for licensure
  5 or registration in the applicable occupation, if the applicant does
  6 not take the examination.
- 7 (e) The applicant fails to meet the requirements for a license8 or certificate of registration.
  - (f) A change in employment is made.
- 10 (2) In addition to a temporary license or certificate of
  11 registration under subsection (1), beginning 90 days after the
  12 effective date of the amendatory act that added this subsection,
  13 September 9, 2014, the department shall grant a temporary license
  14 or certificate of registration for an occupation under this act to
  15 an applicant who meets all both of the following:
- (a) He or she provides proof acceptable to the department that
  he or she is married to a dependent of a member of the armed
  forces, who is on active duty. As used in this subdivision, "armed
  forces" means that term as defined in section 2 of the veteran
  right to employment services act, 1994 PA 39, MCL 35.1092.a
  dependent of a member of the uniformed services, or a dependent of
  a veteran.
  - (b) He or she provides proof acceptable to the department that he or she holds a current license in good standing, or a current registration in good standing, in that occupation, issued by an equivalent licensing department, board, or authority, as determined by the department, in consultation with the board, in another state of the United States , the District of Columbia, Puerto Rico, the United States Virgin Islands, another territory or protectorate of



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- 1 the United States, or a foreign country.
- 2 (c) He or she provides proof acceptable to the department that
- 3 his or her spouse is assigned to a duty station in this state and
- 4 that he or she is also assigned to a duty station in this state
- 5 under his or her spouse's permanent change of station orders.
- **6** (3) A temporary license or registration issued under
- 7 subsection (2) is valid for 6 months and may be renewed for 1
- 8 additional 6-month term if the department determines the temporary
- 9 licensee or registrant continues to meet the requirements of
- 10 subsection (2) and needs additional time to fulfill the
- 11 requirements for initial licensure or registration in this state.
- 12 The department may place a limitation on a temporary license or
- 13 certificate of registration granted under this section.
- 14 Sec. 217. (1) Subject to subsection (2), the department shall
- 15 issue a license or a certificate of registration for an occupation
- 16 under this act without examination to an individual who
- 17 demonstrates to the satisfaction of the department that he or she
- 18 meets all of the following at the time of application:
- 19 (a) Provides proof that the individual is 1 of the following:
- 20 (i) A member of the armed forces or uniformed services.
- 21 (ii) A veteran.
- 22 (iii) A dependent of a member of the armed forces, a member of
- 23 the uniformed services, or a veteran.
- 24 (b) Holds a valid license or registration in that occupation
- 25 from an equivalent licensing department, board, or authority, as
- 26 determined by the department, in at least 1 other state of the
- 27 United States. For each license or registration described in this
- 28 subdivision that he or she holds, all of the following must be met:
- 29 (i) The license or registration is in good standing and he or

- 1 she has held that license or registration for at least 1 year.
- 2 (ii) There were minimum education requirements and, if
- 3 applicable, work experience requirements in effect for licensure or
- 4 registration in the other state, and the other state verifies that
- 5 he or she met those requirements for licensure or registration in
- 6 that state.
- 7 (iii) If the other state required an examination for licensure
- 8 or registration, he or she passed the examination.
- 9 (iv) The requirements for licensure or registration in the
- 10 other state are substantially equivalent to or exceed the
- 11 requirements of this act and any rule promulgated under this act
- 12 for the license or registration.
- (c) Has not had a license or registration revoked, and has not
- 14 voluntarily surrendered a license or registration, in any other
- 15 state of the United States or a foreign country while under
- 16 investigation for unprofessional conduct.
- 17 (d) Has not had discipline imposed by any equivalent licensing
- 18 department, board, or authority in another state of the United
- 19 States. If another state of the United States has taken
- 20 disciplinary action against the applicant, the department shall
- 21 determine if the cause for the action was corrected and the matter
- 22 resolved. If the matter has not been resolved by that other state,
- 23 the department shall not issue or deny a license or registration
- 24 until the matter is resolved.
- 25 (e) Does not have a complaint, allegation, or investigation
- 26 pending before an equivalent licensing department, board, or
- 27 authority in another state of the United States or a foreign
- 28 country that relates to unprofessional conduct. If the applicant
- 29 has any complaints, allegations, or investigations pending, the



- 1 department shall suspend the application process and shall not
- 2 issue or deny a license or registration to the applicant until the
- 3 complaint, allegation, or investigation is resolved.
- 4 (f) Pays all applicable fees.
- 5 (g) Is of good moral character.
- 6 (h) Meets the age requirement of that occupation under this
- 7 act, if applicable.
- 8 (2) If the department determines that the issuance of a
- 9 license or a certificate of registration under subsection (1) for
- 10 an occupation under this act may result in a violation of a federal
- 11 oversight or licensing guideline for that occupation, the
- 12 department shall not issue a license or a certificate of
- 13 registration.
- 14 (3) This section does not prevent the department from issuing
- 15 a temporary license under section 213, a courtesy license under
- 16 section 1806a, or issuing a license under section 726, 1108(2),
- 17 1211, 1806(9), 2013, 2209, or 2623.
- 18 Sec. 2404b. (1) Beginning June 1, 2008, an applicant for
- 19 initial licensure either as a residential builder or as a
- 20 residential maintenance and alteration contractor must successfully
- 21 complete the prelicensure course of study requirements under this
- 22 subsection to obtain a license unless he or she is exempt from
- 23 those requirements under this section. All of the following apply
- 24 for purposes of this subsection:
- 25 (a) If an individual who holds a residential builder or a
- 26 residential maintenance and alteration contractor license, or an
- 27 individual who held a license as a qualifying officer of a licensed
- 28 residential builder or residential maintenance and alteration
- 29 contractor, on June 1, 2008 is renewing a license, he or she is

- exempt from the requirement of successfully completing prelicensurecourses described in this subsection.
- 3 (b) If an individual is applying for a license or relicensure
  4 as a residential builder or residential maintenance and alteration
  5 contractor, he or she is exempt from the requirement of
  6 successfully completing prelicensure courses described in this

subsection if all of the following are met:

- 8 (i) His or her application is submitted before the expiration
  9 of the 18-month period beginning on the effective date of the
  10 amendatory act that added this subdivision. September 16, 2014.
  11 This subdivision does not apply to applications that are submitted
  12 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 must not receive an initial license under this act unless he or she successfully completed 60 hours of approved prelicensure courses that include at least 6 hours of courses in each of the following areas of competency:
- 23 (i) Business management, estimating, and job costing.
- 24 (ii) Design and building science.
- 25 (iii) Contracts, liability, and risk management.
- 26 (iv) Marketing and sales.
- (v) Project management and scheduling.
- 28 (vi) The current Michigan residential code.
- 29 (vii) Construction safety standards promulgated under the



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- 1 Michigan occupational safety and health act, 1974 PA 154, MCL
- 2 408.1001 to 408.1094.
- 3 (2) All of the following apply to an individual license under
- 4 this article, as applicable:
- 5 (a) Subject to subdivision (b), if the individual licensee
- 6 obtained his or her initial license as a residential builder or a
- 7 residential maintenance and alteration contractor on or after
- 8 January 1, 2009, he or she must successfully complete at least 21
- 9 hours of activities that demonstrate continuing competence in each
- 10 3-year license cycle, including both of the following:
- 11 (i) At least 3 hours of activities that demonstrate continuing
- 12 competency in each calendar year, during the first 6 calendar years
- 13 of licensure.
- 14 (ii) At least 3 hours of activities designed to develop a
- 15 licensee's understanding and ability to apply state building codes
- 16 and laws relating to the licensed occupation, safety, and changes
- 17 in construction and business management laws.
- 18 (b) If an individual licensee described in subdivision (a) was
- 19 exempt from the prelicensure course requirements of subsection (1)
- 20 under subsection (1)(b) when he or she obtained his or her initial
- 21 license as a residential builder or residential maintenance and
- 22 alteration contractor, the hours of activities that he or she must
- 23 complete in the first year of his or her first 3-year license cycle
- 24 under subdivision (a) must include successful completion of at
- 25 least 1 hour of codes, 1 hour of safety, and 1 hour of legal issues
- 26 described in this subsection.
- 27 (c) If the licensee was initially licensed as a licensed
- 28 residential builder or residential maintenance and alteration
- 29 contractor, or held a license as a qualifying officer of a licensed

- 1 residential builder or residential maintenance and alteration
- 2 contractor, before January 1, 2009, he or she has held a license
- 3 for not more than two 3-year license cycles, and the department has
- 4 not taken disciplinary action against him or her for a violation of
- 5 this act or a rule promulgated under this act, he or she must
- 6 successfully complete at least 3 hours of activities that
- 7 demonstrate continuing competency in each 3-year license cycle that
- 8 includes at least 1 hour of codes, 1 hour of safety, and 1 hour of
- 9 legal issues described in this subsection.
- 10 (d) If the licensee has held a license for more than two 3-
- 11 year license cycles, and the department has not taken disciplinary
- 12 action against him or her for a violation of this act or a rule
- 13 promulgated under this act, he or she must successfully complete at
- 14 least 3 hours of activities demonstrating continuing competency in
- 15 each license cycle that includes 1 hour of codes, 1 hour of safety,
- 16 and 1 hour of legal issues as described in this subsection.
- 17 (3) In addition to the requirements of subsection (2), if the
- 18 department has taken disciplinary action against a licensee for a
- 19 violation of this act or a rule promulgated under this act, the
- 20 licensee must successfully complete, during the next complete
- 21 license cycle, at least 3 and not more than 21 hours of activities
- 22 that demonstrate the development of continuing competency during
- 23 that next license cycle as determined appropriate by order of the
- 24 department. At least 3 hours of the continuing competency must
- 25 include 1 hour of codes, 1 hour of safety, and 1 hour of legal
- 26 issues as described in subsection (2).
- 27 (4) Any construction code update courses approved by the
- 28 bureau of construction codes and any fire safety or workplace
- 29 safety courses approved or sponsored by the department are also

- 1 considered appropriate for fulfilling the continuing competency
- 2 requirements of this section. The department may, by rule, amend,
- 3 supplement, update, substitute, or determine equivalency regarding
- 4 any courses or alternate activities for developing continuing
- 5 competency described in this section.
- **6** (5) The subject matter of the prelicensure and continuing
- 7 competency activities required under this section may be offered by
- 8 a high school, an intermediate school district, a community
- 9 college, a university, the bureau of construction codes, the
- 10 Michigan occupational safety and health administration, a trade
- 11 association, or any other proprietary school that is licensed by
- 12 the department.
- 13 (6) 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, International Code Council, and
- 28 publication of articles in trade journals or regional magazines as
- 29 an expert in the field. The alternate forms shall must be designed

- 1 to maintain and improve the licensee's ability to perform the
  2 occupation with competence and shall must prescribe proofs that are
  3 necessary to demonstrate that the licensee has fulfilled the
  4 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 must 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 results 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), September 16, 2014, 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

- 1 per-year license fee. An inactive licensee may activate his or her
- 2 license by submitting an application to the department requesting
- 3 activation of the license. If the department activates an inactive
- 4 license, the licensee must complete at least 1 credit hour of
- 5 activities that demonstrate continuing competency for that calendar
- 6 year.
- 7 (10) An individual licensee who applied for and was designated
- 8 inactive under subsection (9) before the effective date of this
- 9 subsection September 16, 2014 may remain in inactive status after
- 10 that effective—date by complying with the requirements of
- 11 subsection (9). A licensee who remains in inactive status after the
- 12 effective date of this subsection September 16, 2014 is exempt from
- 13 the continuing competency requirements of this section while he or
- 14 she remains in inactive status. A licensee may activate his or her
- 15 license by submitting an application to the department requesting
- 16 activation of the license. If his or her license is activated, the
- 17 licensee must complete at least 1 credit hour of activities that
- 18 demonstrate continuing competency for that calendar year.
- 19 (11) Subject to subsection (13), an applicant for initial
- 20 licensure as a residential builder or residential maintenance and
- 21 alteration contractor is exempt from the requirements of subsection
- 22 (1) if he or she meets all of the following:
- 23 (a) Served in the armed forces.
- 24 (b) While serving in the armed forces, was engaged in the
- 25 erection, construction, replacement, repair, alteration, or
- 26 demolition of buildings or other structures.
- (c) Was separated from service in the armed forces, and
- 28 provides to the department a form DD214, form DD215, or any other
- 29 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.
- 4 (d) Has, and provides with his or her application an affidavit 5 signed by a commanding officer, supervisor, or military superior 6 with direct knowledge of the applicant's service that he or she 7 has, entry-level experience in or basic knowledge of each of the 8 areas of competency described in subsection (1)(a) to (g).(1)(c).
- 9 (12) If an applicant who otherwise meets the requirements of 10 subsection (11) does not have entry-level experience in or basic 11 knowledge of each of the areas of competency described in 12 subsection  $\frac{(1)}{(a)}$  to  $\frac{(g)}{(g)}$ ,  $\frac{(1)}{(g)}$ , he or she may provide with his or 13 her application an affidavit signed by a commanding officer, 14 supervisor, or military superior with direct knowledge of the 15 applicant's service that states in which of those areas of 16 competency the applicant has entry-level experience or basic 17 knowledge, and the department may in its discretion grant the applicant credit toward the 60-hour prelicensure education 18 19 requirement of subsection (1) based on that experience or 20 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).
- 28 (14) As used in the section, "armed forces" means that term as
  29 defined in section 2 of the veteran right to employment services



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- 1 act, 1994 PA 39, MCL 35.1092.
- Enacting section 1. This amendatory act takes effect 90 daysafter the date it is enacted into law.
- 4 Enacting section 2. This amendatory act does not take effect
- 5 unless all of the following bills of the 101st Legislature are
- 6 enacted into law:
- 7 (a) House Bill No. 4376.
- **8** (b) House Bill No. 4377.

