

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bill 894 (as reported without amendment)  
Senate Bill 895 (as reported with amendment)  
Senate Bill 896 (as reported without amendment)  
Sponsor: Senator Dale L. Shugars  
Committee: Human Resources, International Trade and Veterans Affairs

Date Completed: 3-6-98

### **RATIONALE**

Because of the potential risk of asbestos to the public health, the State has substantially increased regulations for evaluating or abating asbestos hazards. The Asbestos Abatement Contractors Licensing Act, which was enacted in 1988, requires asbestos abatement contractors to be licensed by the State. This Act was amended by Public Act 55 of 1993, which extended various provisions of the statute, scheduled to expire in 1993, until June 1, 1998. Further, the Asbestos Workers Accreditation Act, enacted in 1986, provides for the accreditation, licensure, and regulation of persons who perform asbestos-related work on public and private elementary and secondary school buildings. This Act was amended by Public Act 127 of 1995, which provides for the statute to be repealed on June 30, 1998. Many people believe that these expiration dates should be removed, in order to continue protecting those who come into contact with products containing asbestos in employment-related situations.

### **CONTENT**

**Senate Bill 894** would amend the Asbestos Abatement Contractors Licensing Act to remove the June 1, 1998, expiration date on various provisions in the Act, including provisions that make exemptions from the Act's licensing requirement, create the Asbestos Abatement Fund, and require contractors to give notice of and pay a fee for certain abatement projects. The bill also would require licensees to pay an initial license fee, rather than a renewal fee, if their renewal applications were late.

**Senate Bills 895 and 896** would amend the Asbestos Workers Accreditation Act to specify

**a time period for submitting reaccreditation applications, and to delete the June 30, 1998, expiration of the Act.**

Senate Bills 894 and 895 also would redefine "department" as the Department of Consumer and Industry Services, instead of the Department of Public Health (pursuant to Executive Order 1996-1).

#### **Senate Bill 894**

The bill would remove a June 1, 1998, expiration date on provisions of the Asbestos Abatement Contractors Licensing Act that do the following:

- Make an exception to the Act's licensing requirement for a business entity licensed under the Electrical Administrative Act, the Forbes Mechanical Contractors Act, or Public Act 266 of 1929 (which governs plumbers), or licensed as a residential builder or residential maintenance and alteration contractor under the Occupational Code.
- Require asbestos abatement contractors and exempt business entities to notify the Department before beginning an asbestos abatement project exceeding 10 linear feet or 15 square feet of friable materials, and to pay a fee of 1% of the price of the contract for the asbestos abatement project or 1% of the asbestos abatement project portion of the contract price.
- Create the Asbestos Abatement Fund.
- Require the Department to report annually to the Legislature.
- Exempt emergency abatement projects from the advance notice requirement.

- Require a building or structure owner or lessee to have a postabatement air monitoring check performed at certain project sites.

In addition, the Act requires the Department to renew an asbestos abatement contractor's license if the contractor submits a completed application for renewal not sooner than 90 days before, and not later than 30 days after, the license expires. The bill specifies that a renewal application that was received after this time period would have to be treated as an initial application and would require payment of an initial license fee, rather than a renewal license fee. (Under the Act, if the number of employees to be engaged in a project is four or less, the license fee is \$200 and the renewal fee is \$100. If the number of employees to be engaged in a project is five or more, the license fee is \$400 and the renewal fee is \$300.)

#### **Senate Bill 895**

The Asbestos Workers Accreditation Act provides that a person desiring accreditation or reaccreditation must submit an application and the appropriate annual fee. The fees are as follows:

|                                       | <u>Accreditation</u> | <u>Reaccreditation</u> |
|---------------------------------------|----------------------|------------------------|
| Inspectors                            | \$150                | \$75                   |
| Management planners                   | 150                  | 75                     |
| Abatement project designers           | 150                  | 75                     |
| Abatement contractors and supervisors | 50                   | 25                     |
| Abatement workers                     | 50                   | 25                     |

For a training course sponsor, the initial application is \$400 and the renewal fee is \$200.

The bill provides that, if the application were for reaccreditation or renewal, the application and annual fee would have to be submitted not earlier than 90 days before, but not later than 30 days after, the accreditation or the training course expired. An application that was submitted later than this time period would have to be treated as an initial application, and would require payment of the accreditation fee, rather than the reaccreditation or renewal fee.

In addition, the Act requires training course sponsors to issue a numbered certificate of course

completion to a student who meets the Act's requirements and successfully completes the training and passes the course's examination. The certificate must contain information specified in the Act. The bill also would require the certificate to include the student's Social Security number.

MCL 338. 3103 et al. (S.B. 894)  
 338. 3402 et al. (S.B. 895)  
 338. 3402 et al. (S.B. 896)

#### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

The bills would allow the Department to continue to protect the health and safety of asbestos-related workers. The bills also would codify current practices concerning license renewal procedures and application fees. Since the Federal government requires a person's Social Security number on any professional license application, Senate Bill 895 would require the same for asbestos workers who passed a training course.

Legislative Analyst: N. Nagata

#### **FISCAL IMPACT**

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

Fiscal Analyst: M. Tyszkiewicz

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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.