

SUBSTITUTE FOR  
HOUSE BILL NO. 5894

A bill to amend 1984 PA 192, entitled  
"Forbes mechanical contractors act,"  
by amending sections 6 and 10 (MCL 338.976 and 338.980), section  
10 as amended by 1997 PA 119.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 6. (1) Upon the filing of an application on a form  
2 prescribed by the department and payment of the examination fee  
3 prescribed in section 10, the department shall conduct  
4 examinations to establish the qualifications and competency of  
5 applicants seeking licensing for the category for which the  
6 application is ~~made~~ **submitted** and ~~—, except as otherwise~~  
7 ~~provided,~~ shall issue licenses to those who pass the  
8 examinations and pay the initial issuance fee, **except as**  
9 **otherwise provided for in this act.** An applicant who seeks  
10 licensure in more than 1 work classification ~~—as set forth~~

1 **listed** in subsection (3) on a single application shall only be  
 2 required to pay 1 examination fee and 1 initial issuance fee as  
 3 provided in section 10. A person applying for a license under  
 4 this act shall also pay the amount required to be paid under the  
 5 construction lien act, ~~Act No. 497 of the Public Acts of 1980,~~  
 6 ~~being sections 570.1101 to 570.1305 of the Michigan Compiled~~  
 7 ~~Laws~~ **1980 PA 497, MCL 570.1101 to 570.1305**, which amount shall  
 8 be paid to the department ~~of licensing and regulation~~ for  
 9 deposit in the homeowner construction lien recovery fund. A  
 10 person ~~shall~~ **is** not ~~be~~ required to pay more than \$50.00 in an  
 11 assessment period under ~~the construction lien~~ **that** act, ~~Act~~  
 12 ~~No. 497 of the Public Acts of 1980,~~ regardless of the number of  
 13 licenses applied for or held.

14 (2) An applicant ~~shall~~ **is** not ~~be~~ considered **eligible** for  
 15 examination unless the applicant is of good moral character, as  
 16 defined in ~~Act No. 381 of the Public Acts of 1974, being~~  
 17 ~~sections 338.41 to 338.47 of the Michigan Compiled Laws~~ **1974 PA**  
 18 **381, MCL 338.41 to 338.47**, and has a minimum of 3 years of  
 19 experience ~~—~~ or an equivalent of that experience ~~that is~~  
 20 acceptable to the board, upon proper showing to the department,  
 21 in 1 or more of the work classifications ~~set forth~~ **listed** in  
 22 subsection (3).

23 (3) A contractor's license obtained ~~by licensure or~~  
 24 ~~examination~~ shall be classified and limited as 1 or more of the  
 25 following:

- 26 (a) Hydronic heating and cooling and process piping.
- 27 (b) HVAC equipment.

1 (c) Ductwork.

2 (d) Refrigeration.

3 (e) Limited service, heating or refrigeration.

4 (f) Unlimited service, heating or refrigeration.

5 (g) Fire suppression.

6 (h) Specialty.

7 Sec. 10. (1) The examination fee for a contractor's license  
8 is \$25.00. Except as otherwise provided in ~~subsection (2)~~  
9 **subsections (2) and (4)**, the initial and per-year fee for the  
10 issuance of a contractor's license is \$75.00.

11 (2) ~~Beginning January 1, 1998, an~~ **An** initial or renewal  
12 contractor's license issued under this act expires on August 31  
13 ~~—, 2001. Beginning January 1, 1998, the board shall charge a~~  
14 ~~license fee of \$200.00 for the years 1998 through 2000 as well as~~  
15 ~~a pro rata license fee of \$44.00 representing the time between~~  
16 ~~January 1, 2001 and August 31, 2001. The applicant's license~~  
17 ~~expires~~ every third year after August 31, 2001 and is renewable  
18 not later than October 31 upon application and payment of the  
19 ~~\$200.00~~ license fee. ~~In the case of~~ **For** a person applying  
20 for an initial or reinstatement contractor's license at a time  
21 other than between August 31 and October 31 of the year in which  
22 the department issues renewal licenses, the department shall  
23 compute and charge the license fee on a yearly pro rata basis  
24 beginning in the year of the application until the last year of  
25 the 3-year license cycle. All licenses not renewed are void and  
26 may be reinstated only upon application for reinstatement and the  
27 payment of the license fee. A person who renews his or her

1 license within 3 years after the license is voided pursuant to  
2 this section is not subject to reexamination for the license.

3       (3) Beginning on the effective date of the amendatory act  
4 that added subsection (5), the department shall issue an initial  
5 or renewal license not later than 90 days after the applicant  
6 files a completed application. Receipt of the application is  
7 considered the date the application is received by any agency or  
8 department of the state of Michigan. If the application is  
9 considered incomplete by the department, the department shall  
10 notify the applicant in writing, or make the information  
11 electronically available, within 30 days after receipt of the  
12 incomplete application, describing the deficiency and requesting  
13 the additional information. The 90-day period is tolled upon  
14 notification by the department of a deficiency until the date the  
15 requested information is received by the department. The  
16 determination of the completeness of an application does not  
17 operate as an approval of the application for the license and  
18 does not confer eligibility of an applicant determined otherwise  
19 ineligible for issuance of a license.

20       (4) If the department fails to issue or deny a license within  
21 the time required by this section, the department shall return  
22 the license fee and shall reduce the license fee for the  
23 applicant's next renewal application, if any, by 15%. The  
24 failure to issue a license within the time required under this  
25 section does not allow the department to otherwise delay the  
26 processing of the application, and that application, upon  
27 completion, shall be placed in sequence with other completed

1 applications received at that same time. The department shall  
 2 not discriminate against an applicant in the processing of the  
 3 application based upon the fact that the license fee was refunded  
 4 or discounted under this subsection.

5 (5) Beginning October 1, 2005, the director of the department  
 6 shall submit a report by December 1 of each year to the standing  
 7 committees and appropriations subcommittees of the senate and  
 8 house of representatives concerned with occupational issues. The  
 9 director shall include all of the following information in the  
 10 report concerning the preceding fiscal year:

11 (a) The number of initial and renewal applications the  
 12 department received and completed within the 90-day time period  
 13 described in subsection (3).

14 (b) The number of applications denied.

15 (c) The number of applicants not issued a license within the  
 16 90-day time period and the amount of money returned to licensees  
 17 under subsection (4).

18 (6) ~~—(3)—~~ All fees and money received by the department for  
 19 the licensing of persons under this act, and any other income  
 20 received under this act, shall be paid into the state  
 21 construction code fund created by section 22 of the  
 22 **Stille-DeRossett-Hale single** state construction code act, ~~of~~  
 23 ~~1972,~~ 1972 PA 230, MCL 125.1522.

24 (7) ~~—(4)—~~ The department shall annually submit to the members  
 25 of the legislature a comprehensive report detailing the  
 26 expenditure of additional money resulting from the 1989  
 27 amendatory act that increased the fees contained in this

1 section.

2       (8) As used in this section, "completed application" means an  
3 application complete on its face and submitted with any  
4 applicable licensing fees as well as any other information,  
5 records, approval, security, or similar item required by law or  
6 rule from a local unit of government, a federal agency, or a  
7 private entity but not from another department or agency of the  
8 state of Michigan.