

# SENATE BILL No. 1232

May 13, 2004, Introduced by Senator KUIPERS and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

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:**

SENATE BILL No. 1232

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 6 months after the applicant  
6 files a completed application. If the application is considered  
7 incomplete by the department, the department shall notify the  
8 applicant in writing within 10 days after receipt of the  
9 incomplete application, describing the deficiency and requesting  
10 the additional information. The 6-month period is tolled upon  
11 notification by the department of a deficiency until the date the  
12 requested information is received by the department.

13 (4) If the department fails to issue or deny a license within  
14 the time required by this section, the department shall return  
15 the license fee and shall reduce the license fee for the  
16 applicant's next renewal application, if any, by 15%. The  
17 department shall not discriminate against an applicant in the  
18 processing of the application based upon the fact that the  
19 application fee was refunded or discounted under this  
20 subsection.

21 (5) Beginning January 31, 2005, the director of the  
22 department shall submit a report by January 31 of each year to  
23 the standing committees and appropriations subcommittees of the  
24 senate and house of representatives concerned with occupational  
25 issues. The director shall include all of the following  
26 information in the report concerning the preceding calendar  
27 year:

1           (a) The number of initial and renewal applications the  
2 department received and completed within the 6-month time period  
3 described in subsection (3).

4           (b) The number of applications requiring a request for  
5 additional information.

6           (c) The average time for an applicant to respond to a request  
7 for additional information.

8           (d) The number of applications rejected in general  
9 categories.

10          (e) The amount of money returned to licensees under  
11 subsection (4).

12          (f) The number of applications not issued within the 6-month  
13 period.

14          (g) The average processing time for initial and renewal  
15 applications granted after the 6-month period.

16          (6) ~~-(3)-~~ All fees and money received by the department for  
17 the licensing of persons under this act, and any other income  
18 received under this act, shall be paid into the state  
19 construction code fund created by section 22 of the  
20 **Stille-DeRossett-Hale single** state construction code act, ~~-of~~  
21 ~~1972,~~ 1972 PA 230, MCL 125.1522.

22          (7) ~~-(4)-~~ The department shall annually submit to the members  
23 of the legislature a comprehensive report detailing the  
24 expenditure of additional money resulting from the 1989  
25 amendatory act that increased the fees contained in this  
26 section.