

Act No. 271  
Public Acts of 2004  
Approved by the Governor  
July 22, 2004  
Filed with the Secretary of State  
July 23, 2004  
EFFECTIVE DATE: July 23, 2004

**STATE OF MICHIGAN**  
**92ND LEGISLATURE**  
**REGULAR SESSION OF 2004**

**Introduced by Reps. Stakoe, Richardville, Shackleton, Stahl, Palsrok, Voorhees, Amos, Taub, LaJoy, Meyer, Garfield, Nitz, DeRoche, Milosch, Pumford, Hummel, Koetje, Steil, Bisbee, Hune, Tabor, Shaffer, DeRossett, Ehardt, Gaffney, Newell, Caswell, Walker, Moolenaar, Acciavatti, Kooiman, Hoogendyk, Huizenga, Caul, Nofs and Sheen**

# **ENROLLED HOUSE BILL No. 5894**

AN ACT to amend 1984 PA 192, entitled "An act to regulate the use, installation, alteration, and servicing of specified heating, cooling, ventilating, and refrigerating equipment and systems; to create a board of mechanical rules; to provide for the licensing of installing contractors and of servicing contractors of heating, cooling, ventilating, and refrigerating equipment and systems; to prescribe fees; to provide for the promulgation of rules; and to prescribe penalties," 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:*

Sec. 6. (1) Upon the filing of an application on a form prescribed by the department and payment of the examination fee prescribed in section 10, the department shall conduct examinations to establish the qualifications and competency of applicants seeking licensing for the category for which the application is submitted and shall issue licenses to those who pass the examinations and pay the initial issuance fee, except as otherwise provided for in this act. An applicant who seeks licensure in more than 1 work classification listed in subsection (3) on a single application shall only be required to pay 1 examination fee and 1 initial issuance fee as provided in section 10. A person applying for a license under this act shall also pay the amount required to be paid under the construction lien act, 1980 PA 497, MCL 570.1101 to 570.1305, which amount shall be paid to the department for deposit in the homeowner construction lien recovery fund. A person is not required to pay more than \$50.00 in an assessment period under that act, regardless of the number of licenses applied for or held.

(2) An applicant is not considered eligible for examination unless the applicant is of good moral character, as defined in 1974 PA 381, MCL 338.41 to 338.47, and has a minimum of 3 years of experience or an equivalent of that experience acceptable to the board, upon proper showing to the department, in 1 or more of the work classifications listed in subsection (3).

(3) A contractor's license obtained shall be classified and limited as 1 or more of the following:

- (a) Hydronic heating and cooling and process piping.
- (b) HVAC equipment.
- (c) Ductwork.
- (d) Refrigeration.
- (e) Limited service, heating or refrigeration.
- (f) Unlimited service, heating or refrigeration.
- (g) Fire suppression.
- (h) Specialty.

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

(2) An initial or renewal contractor's license issued under this act expires on August 31 every third year after August 31, 2001 and is renewable not later than October 31 upon application and payment of the license fee. For a person applying for an initial or reinstatement contractor's license at a time other than between August 31 and October 31 of the year in which the department issues renewal licenses, the department shall compute and charge the license fee on a yearly pro rata basis beginning in the year of the application until the last year of the 3-year license cycle. All licenses not renewed are void and may be reinstated only upon application for reinstatement and the payment of the license fee. A person who renews his or her license within 3 years after the license is voided pursuant to this section is not subject to reexamination for the license.

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

(4) If the department fails to issue or deny a license within the time required by this section, the department shall return the license fee and shall reduce the license fee for the applicant's next renewal application, if any, by 15%. The failure to issue a license within the time required under this section does not allow the department to otherwise delay the processing of the application, and that application, upon completion, shall be placed in sequence with other completed applications received at that same time. The department shall not discriminate against an applicant in the processing of the application based upon the fact that the license fee was refunded or discounted under this subsection.

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

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

(b) The number of applications denied.

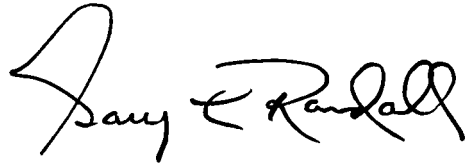
(c) The number of applicants not issued a license within the 90-day time period and the amount of money returned to licensees under subsection (4).

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

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

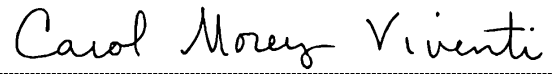
(8) As used in this section, "completed application" means an application complete on its face and submitted with any applicable licensing fees as well as any other information, records, approval, security, or similar item required by law or rule from a local unit of government, a federal agency, or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

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved \_\_\_\_\_

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Governor