



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1233 (as reported without amendment)
Sponsor: Senator Raymond E. Basham
Committee: Economic Development and Regulatory Reform

CONTENT

The bill would amend Article 24 (Residential Builders) of the Occupational Code to specify a deadline for a licensure requirement concerning qualifying officers.

Under Article 24, if a corporation, partnership, association, limited liability company, or other entity applies for a license, the applicant must designate one of its officers, partners, members, or managing agent as a qualifying officer who, upon taking and passing the licensure examination and meeting all other requirements of Article 24, is entitled to a license to act for the corporation, partnership, association, limited liability company, or other entity. The qualifying officer also must obtain and maintain a license under Article 24 as an individual. The bill would require that a qualifying officer obtain and maintain an individual license by June 1, 2011.

MCL 339.2405

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would delay the acquisition of new licenses, reducing the licensing and regulation fee revenue to the Department of Labor and Economic Growth below the level that is expected under current law by approximately \$900,000 in FY 2007-08, assuming that qualified officers who have not obtained an individual license would not do so until FY 2010-11. These licenses, which are paid for on a three-year cycle, would be required by June 1, 2011, under the bill. Similarly, the bill would reduce revenue collections to the Homeowner Construction Lien Fund by an estimated \$150,000 in FY 2007-08. The State would realize the delayed revenue in FY 2010-11.

Date Completed: 4-16-08

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