

# Legislative Analysis



## LICENSING OF CERTAIN RESIDENTIAL BUILDERS OR MAINTENANCE AND ALTERATION CONTRACTORS

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FINANCE AND  
<http://www.house.mi.gov/hfa>

**House Bill 5284 (Substitute H-1)**  
**Sponsor: Rep. Marilyn Lane**  
**Committee: Regulatory Reform**  
**Complete to 4-7-14**

### A SUMMARY OF HOUSE BILL 5284 (H-1) AS REPORTED FROM COMMITTEE

The bill would amend Article 24 of the Occupational Code by modifying the requirements and process for individuals applying for licensure or re-licensure as residential builders or maintenance and alteration contractors.

The bill is tie-barred to House Bill 4582, which exempts individuals who had held a license *at any time within the previous nine years* from having to complete pre-licensure courses, so long as they apply within the 18 months after that bill took effect. The provisions of House Bill 5284 would apply to applicants in that category.

House Bill 5284 would add a new Section 2404c to apply to an individual applying for a license or for relicensure as a residential builder or residential maintenance and alteration contractor, who was a qualifying officer on December 21, 2007, but was subsequently denied an individual license because of financial instability.

In such a case, the Department of Licensing and Regulatory Affairs (LARA) would have to determine whether the applicant should receive a license and what requirements the applicant must meet to qualify for a license. In making its determination, the department would consider information concerning the good moral character of the applicant (any partner, trustee, director, officer, member, or shareholder), would have to determine if the applicant needs to pass an examination, and could require the applicant to meet other requirements to qualify for a license. The applicant would have to certify that he or she successfully completed at least three hours of activities that demonstrate continue competency, that include one hour of codes, one hour of safety, and one hour of legal issues, in the 12 months immediately preceding the date of application.

In addition, the bill also would amend the list of crafts and trades included in a residential maintenance and alteration contractor's license by adding door installation and window or exterior door replacement, and cabinetry installation to that list.

The bill would clarify that if an individual's license under Article 24 is suspended, revoked, or denied by the board, any other licenses issued or applied for under the article would be suspended, revoked, or denied. The same would be true of a license of a corporation, partnership, association, limited liability company, or other entity.

MCL 339.2404 and 339.2405

**FISCAL IMPACT:**

The bill would not have a significant fiscal impact on the state or local units of government.

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