

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4582

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending section 2404b (MCL 339.2404b), as amended by 2013 PA
169.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2404b. (1) Beginning June 1, 2008, an applicant for
2 initial licensure either as a residential builder or as a
3 residential maintenance and alteration contractor must successfully
4 complete ~~a~~**THE** prelicensure course of study ~~as required~~
5 **REQUIREMENTS** under this subsection to obtain a license ~~. A licensee~~
6 ~~that~~**UNLESS HE OR SHE IS EXEMPT FROM THOSE REQUIREMENTS UNDER THIS**
7 **SECTION. ALL OF THE FOLLOWING APPLY FOR PURPOSES OF THIS**
8 **SUBSECTION:**

9 (A) IF AN INDIVIDUAL WHO holds a residential builder or a

1 residential maintenance and alteration contractor license, OR AN
2 INDIVIDUAL WHO HELD A LICENSE AS A QUALIFYING OFFICER OF A LICENSED
3 RESIDENTIAL BUILDER OR RESIDENTIAL MAINTENANCE AND ALTERATION
4 CONTRACTOR, on June 1, 2008 ~~and is renewing a license, in the~~
5 ~~capacity of an individual or qualifying officer, or both, HE OR SHE~~
6 is exempt from the requirement of successfully completing
7 prelicensure courses described in this subsection. ~~Subject to~~
8 ~~subsections (11), (12), and (13), the department shall require an~~
9 ~~applicant who is not exempt under this subsection to~~

10 (B) IF AN INDIVIDUAL IS APPLYING FOR A LICENSE OR RELICENSURE
11 AS A RESIDENTIAL BUILDER OR RESIDENTIAL MAINTENANCE AND ALTERATION
12 CONTRACTOR, HE OR SHE IS EXEMPT FROM THE REQUIREMENT OF
13 SUCCESSFULLY COMPLETING PRELICENSURE COURSES DESCRIBED IN THIS
14 SUBSECTION IF ALL OF THE FOLLOWING ARE MET:

15 (i) HIS OR HER APPLICATION IS SUBMITTED BEFORE THE EXPIRATION
16 OF THE 18-MONTH PERIOD BEGINNING ON THE EFFECTIVE DATE OF THE
17 AMENDATORY ACT THAT ADDED THIS SUBDIVISION. THIS SUBDIVISION DOES
18 NOT APPLY TO APPLICATIONS THAT ARE SUBMITTED AFTER THAT 18-MONTH
19 PERIOD.

20 (ii) HE OR SHE HELD AN INDIVIDUAL LICENSE AS A RESIDENTIAL
21 BUILDER OR RESIDENTIAL MAINTENANCE AND ALTERATION CONTRACTOR, OR
22 HELD A LICENSE AS A QUALIFYING OFFICER OF A LICENSED RESIDENTIAL
23 BUILDER OR RESIDENTIAL MAINTENANCE AND ALTERATION CONTRACTOR, AT
24 ANY TIME WITHIN THE 9-YEAR PERIOD PRECEDING HIS OR HER APPLICATION.

25 (C) UNLESS HE OR SHE IS EXEMPT UNDER SUBDIVISION (A) OR (B),
26 AN APPLICANT SHALL NOT RECEIVE AN INITIAL LICENSE UNDER THIS ACT
27 UNLESS HE OR SHE ~~successfully complete~~ COMPLETED 60 hours of

1 approved prelicensure courses ~~consisting of~~ **THAT INCLUDE** at least 6
 2 hours of courses in each of the following areas of competency:

3 (i) ~~(a)~~ Business management, estimating, and job costing.

4 (ii) ~~(b)~~ Design and building science.

5 (iii) ~~(c)~~ Contracts, liability, and risk management.

6 (iv) ~~(d)~~ Marketing and sales.

7 (v) ~~(e)~~ Project management and scheduling.

8 (vi) ~~(f)~~ The current Michigan residential code.

9 (vii) ~~(g)~~ Construction safety standards promulgated under the
 10 Michigan occupational safety and health act, 1974 PA 154, MCL
 11 408.1001 to 408.1094.

12 (2) ~~An individual who receives his or her initial license~~
 13 ~~under this article~~ **ALL OF THE FOLLOWING APPLY TO AN INDIVIDUAL**
 14 **LICENSE UNDER THIS ARTICLE, AS APPLICABLE:**

15 (A) **SUBJECT TO SUBDIVISION (B), IF THE INDIVIDUAL LICENSEE**
 16 **OBTAINED HIS OR HER INITIAL LICENSE** as a residential builder or a
 17 residential maintenance and alteration contractor on or after
 18 January 1, 2009, ~~shall~~ **HE OR SHE MUST** successfully complete at
 19 least **21 HOURS OF ACTIVITIES THAT DEMONSTRATE CONTINUING COMPETENCE**
 20 **IN EACH 3-YEAR LICENSE CYCLE, INCLUDING BOTH OF THE FOLLOWING:**

21 (i) **AT LEAST** 3 hours of activities ~~demonstrating~~ **THAT**
 22 **DEMONSTRATE** continuing competency in each calendar year, during the
 23 first 6 calendar years of licensure. ~~, and 21 hours in each 3-year~~
 24 ~~time period after the issuance of his or her license.~~

25 (ii) At least 3 hours ~~shall be devoted to those~~ **OF** activities
 26 designed to develop a licensee's understanding and ability to apply
 27 state building codes and laws relating to the licensed occupation,

1 safety, and changes in construction and business management laws. A
2 ~~licensee who~~

3 (B) IF AN INDIVIDUAL LICENSEE DESCRIBED IN SUBDIVISION (A) WAS
4 EXEMPT FROM THE PRELICENSURE COURSE REQUIREMENTS OF SUBSECTION (1)
5 UNDER SUBSECTION (1) (B) WHEN HE OR SHE OBTAINED HIS OR HER INITIAL
6 LICENSE AS A RESIDENTIAL BUILDER OR RESIDENTIAL MAINTENANCE AND
7 ALTERATION CONTRACTOR, THE HOURS OF ACTIVITIES THAT HE OR SHE MUST
8 COMPLETE IN THE FIRST YEAR OF HIS OR HER FIRST 3-YEAR LICENSE CYCLE
9 UNDER SUBDIVISION (A) MUST INCLUDE SUCCESSFUL COMPLETION OF AT
10 LEAST 1 HOUR OF CODES, 1 HOUR OF SAFETY, AND 1 HOUR OF LEGAL ISSUES
11 DESCRIBED IN THIS SUBSECTION.

12 (C) IF THE LICENSEE WAS INITIALLY LICENSED AS A LICENSED
13 RESIDENTIAL BUILDER OR RESIDENTIAL MAINTENANCE AND ALTERATION
14 CONTRACTOR, OR HELD A LICENSE AS A QUALIFYING OFFICER OF A LICENSED
15 RESIDENTIAL BUILDER OR RESIDENTIAL MAINTENANCE AND ALTERATION
16 CONTRACTOR, BEFORE JANUARY 1, 2009, HE OR SHE HAS HELD A LICENSE
17 FOR NOT MORE THAN TWO 3-YEAR LICENSE CYCLES, AND THE DEPARTMENT HAS
18 NOT TAKEN DISCIPLINARY ACTION AGAINST HIM OR HER FOR A VIOLATION OF
19 THIS ACT OR A RULE PROMULGATED UNDER THIS ACT, HE OR SHE MUST
20 SUCCESSFULLY COMPLETE AT LEAST 3 HOURS OF ACTIVITIES THAT
21 DEMONSTRATE CONTINUING COMPETENCY IN EACH 3-YEAR LICENSE CYCLE THAT
22 INCLUDES AT LEAST 1 HOUR OF CODES, 1 HOUR OF SAFETY, AND 1 HOUR OF
23 LEGAL ISSUES DESCRIBED IN THIS SUBSECTION.

24 (D) IF THE LICENSEE has held a license for more than ~~6 years~~
25 ~~or who has not been the subject of a final order under subsection~~
26 ~~(3)~~, TWO 3-YEAR LICENSE CYCLES, AND THE DEPARTMENT HAS NOT TAKEN
27 DISCIPLINARY ACTION AGAINST HIM OR HER FOR A VIOLATION OF THIS ACT

1 OR A RULE PROMULGATED UNDER THIS ACT, HE OR SHE MUST SUCCESSFULLY
2 COMPLETE at least 3 hours of activities demonstrating continuing
3 competency in each license cycle that includes 1 hour of codes, 1
4 hour of safety, and 1 hour of legal issues as described in this
5 subsection.

6 (3) ~~If~~ **IN ADDITION TO THE REQUIREMENTS OF SUBSECTION (2), IF**
7 the department has ~~determined in a final order that a licensee has~~
8 ~~violated~~ **TAKEN DISCIPLINARY ACTION AGAINST A LICENSEE FOR A**
9 **VIOLATION OF** this act or a rule ~~adopted~~ **PROMULGATED** under this act,
10 the licensee must successfully complete, during the next complete
11 license cycle, ~~up to~~ **AT LEAST 3 AND NOT MORE THAN** 21 hours of
12 activities that demonstrate the development of continuing
13 competency during that next license cycle as determined appropriate
14 by order of the department. ~~, that includes at~~ **AT least 3 HOURS OF**
15 **THE CONTINUING COMPETENCY MUST INCLUDE** 1 hour of codes, 1 hour of
16 safety, and 1 hour of legal issues as described in subsection (2).

17 (4) ~~As activities that demonstrate the development of~~
18 ~~continuing competency, the education courses described in section~~
19 ~~3, pages 3-6 to 3-58 of the January 2005 edition of the publication~~
20 ~~"NAHB University of Housing, Blueprint for Success", published by~~
21 ~~the national association of home builders, and taught by~~
22 ~~instructors meeting the requirements of section 4, pages 4-5~~
23 ~~through 4-9 of the January 2005 edition of "NAHB University of~~
24 ~~Housing, Blueprint for Success", are considered approved, are~~
25 ~~considered appropriate for fulfilling the prelicensure and~~
26 ~~continuing competency requirements of subsections (1), (2), and~~
27 ~~(3), and are incorporated by reference. A licensee may take any~~

~~courses equivalent to those courses incorporated by reference by this subsection. Updates to the courses described in this subsection or equivalent courses are acceptable unless the department determines that the courses do not provide a means of developing and maintaining continuing competency for those applicants or licensees who successfully fulfill the course requirements.~~ Any construction code update courses approved by the bureau of construction codes and any fire safety or workplace safety courses approved or sponsored by the department are also considered appropriate for fulfilling the continuing competency requirements of this ~~subsection.~~ **SECTION.** The department may, by rule, amend, supplement, update, substitute, or determine equivalency regarding any courses or alternate activities for developing continuing competency described in this subsection. **SECTION.**

~~— (5) The department may waive the requirement of membership in a local, state, or national trade association contained in the instructor standards of section 4, pages 4-5 to 4-9 of the January 2005 edition of the publication "NAHB University of Housing, Blueprint for Success", published by the national association of home builders, and incorporated by reference. By rule, the department may amend, supplement, update, substitute, or determine equivalency regarding the standards in this subsection and shall establish instructor qualifications for courses not incorporated by reference in subsection (4).~~

(5) ~~(6)~~ The subject matter of the prelicensure and continuing competency activities **REQUIRED UNDER THIS SECTION** may be offered by

1 a high school, an intermediate school district, a community
2 college, a university, the bureau of construction codes, the
3 Michigan occupational safety and health administration, a trade
4 association, or ~~a~~ **ANY OTHER** proprietary school that is licensed by
5 the department. ~~as meeting the subject matter qualifications~~
6 ~~described in subsection (4) and the instructional qualifications~~
7 ~~described in subsection (5).~~

8 (6) ~~(7)~~ The department shall promulgate rules to provide for
9 the following:

10 (a) Requirements other than those listed in subsection (4) for
11 determining that a course meets the minimum criteria for developing
12 and maintaining continuing competency.

13 (b) Requirements for acceptable courses offered at seminars
14 and conventions by trade associations, research institutes, risk
15 management entities, manufacturers, suppliers, governmental
16 agencies other than those named in subsection (4), consulting
17 agencies, or other entities.

18 (c) Acceptable distance learning.

19 (d) Alternate forms of continuing competency, including
20 comprehensive testing, participation in mentoring programs,
21 research, participation in code hearings conducted by the
22 international code council, and publication of articles in trade
23 journals or regional magazines as an expert in the field. The
24 alternate forms shall be designed to maintain and improve the
25 licensee's ability to perform the occupation with competence and
26 shall prescribe proofs that are necessary to demonstrate that the
27 licensee has fulfilled the requirements of continuing competency.

1 (7) ~~(8)~~ Each licensee may select approved courses in his or
 2 her subject matter area or specialty. ~~Service~~ **A LICENSEE'S SERVICE**
 3 as a lecturer or discussion leader in an approved course shall be
 4 ~~counted~~ **COUNT** toward the ~~HIS OR HER~~ continuing competency
 5 requirements ~~of~~ **UNDER** this section. Alternate forms of continuing
 6 competency may be earned and documented as promulgated in rules by
 7 the department.

8 (8) ~~(9)~~ The department may audit a predetermined percentage of
 9 licensees who renew in a year for compliance with the requirements
 10 of this section. Failure to comply with the audit or the
 11 requirements shall result in the investigation of a complaint
 12 initiated by the department, and the licensee is subject to the
 13 penalties prescribed in this act.

14 (9) ~~(10)~~ **A BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT**
 15 **THAT ADDED SUBSECTION (10),** A licensed residential builder or
 16 residential alteration and maintenance contractor may apply for
 17 inactive status by completing an application, made available by the
 18 department, in which he or she declares that he or she is no longer
 19 actively engaged in the practice authorized by his or her license
 20 and temporarily intends to suspend activity authorized by his or
 21 her license. If a completed application is submitted, the
 22 department shall designate the licensee as inactive and note that
 23 status on records available to the public. A licensee who is
 24 designated as inactive must have a current copy of the Michigan
 25 residential code and is exempt from the continuing competency
 26 requirements imposed under this section, but must still pay the
 27 per-year license fee. An inactive licensee may activate his or her

1 license by submitting an application to the department requesting
2 activation of the license. If the department activates an inactive
3 license, the licensee must complete at least 1 credit hour of
4 **ACTIVITIES THAT DEMONSTRATE** continuing competency for that calendar
5 year.

6 (10) AN INDIVIDUAL LICENSEE WHO APPLIED FOR AND WAS DESIGNATED
7 INACTIVE UNDER SUBSECTION (9) BEFORE THE EFFECTIVE DATE OF THIS
8 SUBSECTION MAY REMAIN IN INACTIVE STATUS AFTER THAT EFFECTIVE DATE
9 BY COMPLYING WITH THE REQUIREMENTS OF SUBSECTION (9). A LICENSEE
10 WHO REMAINS IN INACTIVE STATUS AFTER THE EFFECTIVE DATE OF THIS
11 SUBSECTION IS EXEMPT FROM THE CONTINUING COMPETENCY REQUIREMENTS OF
12 THIS SECTION WHILE HE OR SHE REMAINS IN INACTIVE STATUS. A LICENSEE
13 MAY ACTIVATE HIS OR HER LICENSE BY SUBMITTING AN APPLICATION TO THE
14 DEPARTMENT REQUESTING ACTIVATION OF THE LICENSE. IF HIS OR HER
15 LICENSE IS ACTIVATED, THE LICENSEE MUST COMPLETE AT LEAST 1 CREDIT
16 HOUR OF ACTIVITIES THAT DEMONSTRATE CONTINUING COMPETENCY FOR THAT
17 CALENDAR YEAR.

18 (11) Subject to subsection (13), an applicant for initial
19 licensure as a residential builder or residential maintenance and
20 alteration contractor is exempt from the requirements of subsection
21 (1) if he or she meets all of the following:

22 (a) Served in the armed forces.

23 (b) While serving in the armed forces, was engaged in the
24 erection, construction, replacement, repair, alteration, or
25 demolition of buildings or other structures.

26 (c) Was separated from service in the armed forces, and
27 provides to the department a form DD214, form DD215, or any other

1 form that is satisfactory to the department that demonstrates that
2 he or she was separated from that service, with an honorable
3 character of service or under honorable conditions (general)
4 character of service.

5 (d) Has, and provides with his or her application an affidavit
6 signed by a commanding officer, supervisor, or military superior
7 with direct knowledge of the applicant's service that he or she
8 has, entry-level experience in or basic knowledge of each of the
9 areas of competency described in subsection (1)(a) to (g).

10 (12) If an applicant who otherwise meets the requirements of
11 subsection (11) does not have entry-level experience in or basic
12 knowledge of each of the areas of competency described in
13 subsection (1)(a) to (g), he or she may provide with his or her
14 application an affidavit signed by a commanding officer,
15 supervisor, or military superior with direct knowledge of the
16 applicant's service that states in which of those areas of
17 competency the applicant has entry-level experience or basic
18 knowledge, and the department may in its discretion grant the
19 applicant credit toward the 60-hour prelicensure education
20 requirement of subsection (1) based on that experience or
21 knowledge.

22 (13) If an applicant for initial licensure as a residential
23 builder or residential maintenance and alteration contractor
24 described in subsection (11) does not pass the examination for that
25 license the first time he or she takes the examination, that
26 applicant may not retake the examination until he or she
27 successfully completes a prelicensure course of study described in

1 subsection (1).

2 (14) As used in the section, "armed forces" means that term as
3 defined in section 2 of the veteran right to employment services
4 act, 1994 PA 39, MCL 35.1092.

5 Enacting section 1. This amendatory act takes effect upon the
6 expiration of 90 days after the date it is enacted into law.