

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4756

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending section 2404b (MCL 339.2404b), as added by 2007 PA 157.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2404b. (1) Beginning ~~the effective date of the amendatory~~
2 ~~act that added this section, applicants~~ **JUNE 1, 2008, AN APPLICANT**
3 for initial licensure either as a residential builder or as a
4 residential maintenance and alteration contractor ~~shall~~ **MUST**
5 successfully complete a prelicensure course of study as ~~prescribed~~
6 ~~by~~ **REQUIRED UNDER** this subsection **TO OBTAIN A LICENSE**. ~~Licensees~~
7 ~~holding~~ **A LICENSEE THAT HOLDS** a residential builder or a
8 residential maintenance and alteration contractor license on ~~the~~

~~effective date of the amendatory act that added this section that~~
~~are~~ **JUNE 1, 2008 AND IS** renewing a license in the capacity of an
 individual or qualifying officer, or both, ~~are~~ **IS** exempt from the
 requirement of successfully completing prelicensure courses
 described in this subsection. ~~The~~ **SUBJECT TO SUBSECTIONS (11),**
(12), AND (13), THE department shall require an applicant ~~not~~
~~exempted~~ **WHO IS NOT EXEMPT** under this subsection to successfully
 complete 60 hours of approved prelicensure courses consisting of at
 least 6 hours of courses in each of the following areas of
 competency:

- (a) Business management, estimating, and job costing.
- (b) Design and building science.
- (c) Contracts, liability, and risk management.
- (d) Marketing and sales.
- (e) Project management and scheduling.
- (f) The current Michigan residential code.
- (g) Construction safety standards promulgated under the
 Michigan occupational safety and health act, 1974 PA 154, MCL
 408.1001 to 408.1094.

~~(2) Beginning the calendar year after the effective date of~~
~~the amendatory act that added this section, a person obtaining~~
~~initial licensure~~ **AN INDIVIDUAL WHO RECEIVES HIS OR HER INITIAL**
LICENSE under this article as a residential builder or a
 residential maintenance and alteration contractor **ON OR AFTER**
JANUARY 1, 2009 shall successfully complete ~~not less than~~ **AT LEAST**
 3 hours of activities demonstrating continuing competency ~~per~~ **IN**
EACH calendar year, during the first 6 calendar years of licensure,

1 and 21 hours ~~per~~ **IN EACH** 3-year time period ~~since~~ **AFTER** the
 2 issuance of his or her license. At least 3 hours shall be devoted
 3 to those activities designed to develop a licensee's understanding
 4 and ability to apply state building codes and laws relating to the
 5 licensed occupation, safety, and changes in construction and
 6 business management laws. A licensee who has held a license for
 7 more than 6 years or who has not been ~~determined by the department~~
 8 ~~in~~ **THE SUBJECT OF** a final order ~~to have violated this act or a rule~~
 9 ~~adopted under this act shall successfully complete~~ **UNDER SUBSECTION**
 10 **(3)**, at least 3 hours of activities demonstrating continuing
 11 competency ~~per~~ **IN EACH** license cycle ~~to include~~ **THAT INCLUDES** 1
 12 hour of codes, 1 hour of safety, and 1 hour of legal issues as
 13 described in this subsection.

14 (3) ~~In the case of a licensee who has been~~ **IF THE DEPARTMENT**
 15 **HAS** ~~determined by the department in a final order to have~~ **THAT A**
 16 **LICENSEE HAS** violated this act or a rule adopted under this act, he
 17 ~~or she shall~~ **THE LICENSEE MUST** successfully complete, during the
 18 next complete license cycle, up to 21 hours of activities that
 19 demonstrate the development of continuing competency during that
 20 next license cycle as determined appropriate by order of the
 21 department, ~~at least 3 hours of that continuing competency to~~
 22 ~~include~~ **THAT INCLUDES AT LEAST** 1 hour of codes, 1 hour of safety,
 23 and 1 hour of legal issues as described in subsection (2).

24 (4) As activities that demonstrate the development of
 25 continuing competency, the education courses described in section
 26 3, pages 3-6 ~~through~~ **TO** 3-58 of the January 2005 edition of the
 27 publication "NAHB University of Housing, Blueprint for Success",

published by the national association of home builders, and taught by instructors meeting the requirements of section 4, pages 4-5 through 4-9 of the January 2005 edition of "NAHB University of Housing, Blueprint for Success", are considered approved, are considered appropriate for fulfilling the prelicensure and continuing competency requirements of subsections (1), (2), and (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 ~~as well as~~ **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. 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.

(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 ~~through~~ **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

1 rule, the department may amend, supplement, update, substitute, or
2 determine equivalency regarding the standards in this subsection
3 and shall establish instructor qualifications for courses not
4 incorporated by reference in subsection (4).

5 (6) The subject matter of the prelicensure and continuing
6 competency activities may be offered by a high school, **AN**
7 intermediate school district, **A** community college, **A** university,
8 **THE** bureau of construction codes, **THE** Michigan occupational safety
9 and health administration, **A** trade association, or a proprietary
10 school **THAT IS** licensed by the department as meeting the subject
11 matter qualifications described in subsection (4) and the
12 instructional qualifications described in subsection (5).

13 (7) The department shall promulgate rules to provide for the
14 following:

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

18 (b) Requirements for acceptable courses offered at seminars
19 and conventions by trade associations, research institutes, risk
20 management entities, manufacturers, suppliers, governmental
21 agencies other than those named in subsection (4), consulting
22 agencies, or other entities.

23 (c) Acceptable distance learning.

24 (d) Alternate forms of continuing competency, including
25 comprehensive testing, participation in mentoring programs,
26 research, participation in code hearings conducted by the
27 international code council, and publication of articles in a trade

1 ~~journal~~ **JOURNALS** or regional ~~magazine~~ **MAGAZINES** as an expert in the
2 field. The alternate forms shall be designed to maintain and
3 improve the licensee's ability to perform the occupation with
4 competence and shall prescribe proofs that are necessary to
5 demonstrate that the licensee has fulfilled the requirements of
6 continuing competency.

7 (8) Each licensee may select approved courses in his or her
8 subject matter area or specialty. Service as a lecturer or
9 discussion leader in an approved course shall be counted toward the
10 continuing competency requirements of this section. Alternate forms
11 of continuing competency may be earned and documented as
12 promulgated in rules by the department.

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

19 (10) A ~~licensee as a~~ **LICENSED** residential builder or
20 residential alteration and maintenance contractor may apply for
21 inactive status by completing an application, made available by the
22 department, in which he or she declares that he or she is no longer
23 actively engaged in the practice authorized by his or her license
24 and temporarily intends to suspend activity authorized by his or
25 her license. ~~Upon submission of~~ **IF** a completed application **IS**
26 **SUBMITTED**, the department shall designate the licensee as inactive
27 and note that status on records available to the public. A licensee

1 WHO IS designated as inactive must have a current copy of the
2 Michigan residential code and is exempt from the continuing
3 competency requirements imposed under this section, but must still
4 pay the per-year license fee. An inactive licensee may activate his
5 or her license by submitting an application to the department
6 requesting activation of the license. ~~Upon activation of a~~ **IF THE**
7 **DEPARTMENT ACTIVATES AN INACTIVE** license, the licensee must
8 complete at least 1 credit hour of continuing competency for that
9 calendar year.

10 (11) SUBJECT TO SUBSECTION (13), AN APPLICANT FOR INITIAL
11 LICENSURE AS A RESIDENTIAL BUILDER OR RESIDENTIAL MAINTENANCE AND
12 ALTERATION CONTRACTOR IS EXEMPT FROM THE REQUIREMENTS OF SUBSECTION
13 (1) IF HE OR SHE MEETS ALL OF THE FOLLOWING:

14 (A) SERVED IN THE ARMED FORCES.

15 (B) WHILE SERVING IN THE ARMED FORCES, WAS ENGAGED IN THE
16 ERECTION, CONSTRUCTION, REPLACEMENT, REPAIR, ALTERATION, OR
17 DEMOLITION OF BUILDINGS OR OTHER STRUCTURES.

18 (C) WAS SEPARATED FROM SERVICE IN THE ARMED FORCES, AND
19 PROVIDES TO THE DEPARTMENT A FORM DD214, FORM DD215, OR ANY OTHER
20 FORM THAT IS SATISFACTORY TO THE DEPARTMENT THAT DEMONSTRATES THAT
21 HE OR SHE WAS SEPARATED FROM THAT SERVICE, WITH AN HONORABLE
22 CHARACTER OF SERVICE OR UNDER HONORABLE CONDITIONS (GENERAL)
23 CHARACTER OF SERVICE.

24 (D) HAS, AND PROVIDES WITH HIS OR HER APPLICATION AN AFFIDAVIT
25 SIGNED BY A COMMANDING OFFICER, SUPERVISOR, OR MILITARY SUPERIOR
26 WITH DIRECT KNOWLEDGE OF THE APPLICANT'S SERVICE THAT HE OR SHE
27 HAS, ENTRY-LEVEL EXPERIENCE IN OR BASIC KNOWLEDGE OF EACH OF THE

1 AREAS OF COMPETENCY DESCRIBED IN SUBSECTION (1) (A) TO (G) .

2 (12) IF AN APPLICANT WHO OTHERWISE MEETS THE REQUIREMENTS OF
3 SUBSECTION (11) DOES NOT HAVE ENTRY-LEVEL EXPERIENCE IN OR BASIC
4 KNOWLEDGE OF EACH OF THE AREAS OF COMPETENCY DESCRIBED IN
5 SUBSECTION (1) (A) TO (G) , HE OR SHE MAY PROVIDE WITH HIS OR HER
6 APPLICATION AN AFFIDAVIT SIGNED BY A COMMANDING OFFICER,
7 SUPERVISOR, OR MILITARY SUPERIOR WITH DIRECT KNOWLEDGE OF THE
8 APPLICANT'S SERVICE THAT STATES IN WHICH OF THOSE AREAS OF
9 COMPETENCY THE APPLICANT HAS ENTRY-LEVEL EXPERIENCE OR BASIC
10 KNOWLEDGE, AND THE DEPARTMENT MAY IN ITS DISCRETION GRANT THE
11 APPLICANT CREDIT TOWARD THE 60-HOUR PRELICENSURE EDUCATION
12 REQUIREMENT OF SUBSECTION (1) BASED ON THAT EXPERIENCE OR
13 KNOWLEDGE.

14 (13) IF AN APPLICANT FOR INITIAL LICENSURE AS A RESIDENTIAL
15 BUILDER OR RESIDENTIAL MAINTENANCE AND ALTERATION CONTRACTOR
16 DESCRIBED IN SUBSECTION (11) DOES NOT PASS THE EXAMINATION FOR THAT
17 LICENSE THE FIRST TIME HE OR SHE TAKES THE EXAMINATION, THAT
18 APPLICANT MAY NOT RETAKE THE EXAMINATION UNTIL HE OR SHE
19 SUCCESSFULLY COMPLETES A PRELICENSURE COURSE OF STUDY DESCRIBED IN
20 SUBSECTION (1) .

21 (14) AS USED IN THE SECTION, "ARMED FORCES" MEANS THAT TERM AS
22 DEFINED IN SECTION 2 OF THE VETERAN RIGHT TO EMPLOYMENT SERVICES
23 ACT, 1994 PA 39, MCL 35.1092.

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