

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~~

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

- 11 (a) Business management, estimating, and job costing.
- 12 (b) Design and building science.
- 13 (c) Contracts, liability, and risk management.
- 14 (d) Marketing and sales.
- 15 (e) Project management and scheduling.
- 16 (f) The current Michigan residential code.
- 17 (g) Construction safety standards promulgated under the  
 18 Michigan occupational safety and health act, 1974 PA 154, MCL  
 19 408.1001 to 408.1094.

20 (2) ~~Beginning the calendar year after the effective date of~~  
 21 ~~the amendatory act that added this section, a person obtaining~~  
 22 ~~initial licensure~~ **AN INDIVIDUAL WHO RECEIVES HIS OR HER INITIAL**  
 23 **LICENSE** under this article as a residential builder or a  
 24 residential maintenance and alteration contractor **ON OR AFTER**  
 25 **JANUARY 1, 2009** shall successfully complete ~~not less than~~ **AT LEAST**  
 26 3 hours of activities demonstrating continuing competency ~~per~~ **IN**  
 27 **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",

1 published by the national association of home builders, and taught  
2 by instructors meeting the requirements of section 4, pages 4-5  
3 through 4-9 of the January 2005 edition of "NAHB University of  
4 Housing, Blueprint for Success", are considered approved, are  
5 considered appropriate for fulfilling the prelicensure and  
6 continuing competency requirements of subsections (1), (2), and  
7 (3), and are incorporated by reference. A licensee may take any  
8 courses equivalent to those courses incorporated by reference by  
9 this subsection. Updates to the courses described in this  
10 subsection or equivalent courses are acceptable unless the  
11 department determines that the courses do not provide a means of  
12 developing and maintaining continuing competency for those  
13 applicants or licensees who successfully fulfill the course  
14 requirements. Any construction code update courses approved by the  
15 bureau of construction codes ~~as well as~~ **AND ANY** fire safety or  
16 workplace safety courses approved or sponsored by the department  
17 are also considered appropriate for fulfilling the continuing  
18 competency requirements of this subsection. The department may, by  
19 rule, amend, supplement, update, substitute, or determine  
20 equivalency regarding any courses or alternate activities for  
21 developing continuing competency described in this subsection.

22 (5) The department may waive the requirement of membership in  
23 a local, state, or national trade association contained in the  
24 instructor standards of section 4, pages 4-5 ~~through~~ **TO** 4-9 of the  
25 January 2005 edition of the publication "NAHB University of  
26 Housing, Blueprint for Success", published by the national  
27 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.