

Legislative Analysis



MAINTENANCE & ALTERATION CONTRACTOR LICENSE: ELIMINATE

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House Bill 4608 as introduced
Sponsor: Rep. Jeffrey R. Noble
Committee: Regulatory Reform
Complete to 5-23-17

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Under the bill, a person would not have to obtain a license as a residential maintenance and alteration contractor to engage in the craft or trade of painting and decorating.

House Bill 4608 would amend the Occupational Code to delete painting and decorating from the list of crafts and trades for which a person is authorized to engage in under a residential maintenance and alteration contractor license.

A maintenance and alteration contractor is licensed to perform only specific trades and services, though a specialty contractor may take and execute a contract involving the performance of the craft or trade for which the license specifies and one or more other crafts or trades as long as the performance of that other craft or trade is incidental and supplemental to the work performed under the contractor's license. The license must specify the particular craft or trade for which the licensee is qualified by including the letter corresponding to the specific craft or trade. Currently, a license includes the following crafts and trades:

- Carpentry (A)
- Concrete (B)
- Swimming pool installation (S)
- Waterproofing a basement (T)
- Excavation (D)
- Insulation work (G)
- Masonry work (I)
- Painting and decorating (J)
- Roofing (M)
- Siding and gutters (K)
- Screen or storm sash installation (N)
- Tile and marble work (P)
- House wrecking (R)

The bill would take effect 90 days after enactment.

MCL 339.2404

FISCAL IMPACT:

House Bill 4608 would have an indeterminate, though likely minor, effect on the Department of Licensing and Regulatory Affairs. The bill would have the practical effect of no longer requiring maintenance and alteration (M & A) contractors to be licensed for the "painting and decorating" specialty trade. As a result, the Department of Licensing and Regulatory Affairs would lose revenues associated with the licensure of this activity. As of May 2017, there are 425 licensees (both individuals and companies) that are licensed exclusively to be M & A contractors in the specialty trade of painting and decorating. Individuals and companies both pay a \$195 initial license application fee and a \$150 license renewal fee every three years. Over the course of the three-year license cycle, the Department would be expected to lose \$63,750 dollars in license renewal fees. The amount of revenue lost for initial licensure would depend on the number of applications received in a given year. The Department would likely experience modest budgetary savings due to decreased administrative costs for licensing.

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