



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4608 (as passed by the House)
Sponsor: Representative Jeffrey R. Noble
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

The bill would amend Article 24 of the Occupational Code to allow an individual to engage in the activity of painting and decorating without obtaining a residential maintenance and alteration contractor's license.

Under the Code, the Department of Licensing and Regulatory Affairs may issue a residential maintenance and alteration contractor's license to an individual who applies for the license and who qualifies for the license by passing an examination. A license authorizes a licensee, according to the applicant's qualifications, crafts, and trades, to engage in the activities of a residential maintenance and alteration contractor. A license currently includes the crafts and trades of carpentry, concrete, swimming pool installation, waterproofing a basement, excavation, insulation work, masonry, painting and decorating, roofing, siding and gutters, and house wrecking. The bill would remove painting and decorating from the list of crafts and trades under the license.

"Residential maintenance and alteration contractor" means a person who, for a fixed sum, price, fee, percentage, valuable consideration, or other compensation, other than wages for personal labor only, undertakes with another for the repair, alteration, or an addition to, subtraction from, improvement of, wrecking of, or demolition of a residential structure or combination residential and commercial structure, or building of a garage, or laying of concrete on residential property, or who engages in the purchase, substantial rehabilitation or improvement, and resale of a residential structure, engaging in that activity on the same structure more than twice in one calendar year, except in certain instances.

MCL 339.2404

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have an indeterminate but likely minor negative impact on the Department of Licensing and Regulatory Affairs and no fiscal impact on local government. As of December 3, 2018, there were 432 maintenance and alterations contractors licensed only in painting and decorating. These licensees pay a \$150 renewal fee every three years. As a result of the bill, the Department would experience a loss of about \$64,800 in revenue over a three-year period, in addition to a loss of unknown magnitude in initial license fees. However, this would be offset in part by the reduced cost of monitoring these licensees.

Date Completed: 12-19-18

Fiscal Analyst: Elizabeth Raczkowski