

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4377

A bill to amend 2016 PA 407, entitled
"Skilled trades regulation act,"
by amending sections 103, 105, 107, 219, and 417 (MCL 339.5103,
339.5105, 339.5107, 339.5219, and 339.5417), section 105 as amended
by 2020 PA 370, and by adding section 223.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 103. As used in this act:
- 2 (a) "Administrative procedures act of 1969" means the
- 3 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
- 4 24.328.
- 5 (b) "Armed forces" means the United States Army, Air Force,
- 6 Navy, Marine Corps, **Space Force**, or Coast Guard or other military
- 7 force designated by Congress as a part of the ~~armed forces~~ **Armed**

1 **Forces of the United States, including the reserve components.**

2 (c) "Board" means, in each article of this act that is related
3 to a specific occupation or occupations, the board that is created
4 in that article and composed principally of members of the
5 regulated occupation or occupations, or the commission or other
6 agency that is defined in or designated as the board for purposes
7 of that article. In this article, "board" means any board created
8 or agency designated as a board under any other article of this
9 act.

10 (d) "Board files" means the records, memoranda, opinions,
11 minutes, and similar written materials that were formerly in the
12 physical possession and control of a board abolished by this act
13 and the records, memoranda, opinions, minutes, and similar written
14 materials of a board created under this act.

15 (e) "Censure" means an expression of disapproval of a
16 licensee's or registrant's professional conduct, whether or not the
17 conduct is a violation of this act or a rule promulgated or an
18 order issued under this act.

19 (f) "Charitable organization" means a not-for-profit tax-
20 exempt religious, educational, or humane organization.

21 (g) "Citation" means that term as described in section 537.

22 (h) "Competence" means a degree of expertise that enables an
23 individual to engage in an occupation at a level that meets or
24 exceeds minimal standards of acceptable practice for the
25 occupation.

26 (i) "Complaint" means an oral or written grievance.

27 (j) "Completed application" means an application that is
28 complete on its face and submitted with any applicable licensing or
29 permit fees and any other information, records, approval, security,

1 or similar item required by law or rule from a local unit of
 2 government, a federal agency, or a private entity but not from
 3 another department or agency of this state.

4 (k) "Contested case hearing" means a hearing under chapter 4
 5 of the administrative procedures act of 1969, MCL 24.271 to ~~24.287~~,
 6 **24.288**, as authorized under chapter 5 of the administrative
 7 procedures act of 1969, MCL 24.291 to 24.292.

8 (l) "Department" means the department of licensing and
 9 regulatory affairs.

10 (m) **"Dependent" means a spouse, surviving spouse, child under**
 11 **26 years of age, or surviving child under 26 years of age.**

12 (n) ~~(m)~~—"Director" means the director of the department of
 13 licensing and regulatory affairs or his or her authorized
 14 representative.

15 (o) ~~(n)~~—"Disability" means an infirmity that prevents a board
 16 member from performing a duty assigned to the board member.

17 Sec. 105. As used in this act:

18 (a) "Enforcing agency" means that term as defined in section
 19 2a of the Stille-DeRossett-Hale single state construction code act,
 20 MCL 125.1502a.

21 (b) "Formal complaint" means a document that states the
 22 charges of each alleged violation and is prepared by the department
 23 or the department of attorney general after a complaint is received
 24 by the department.

25 (c) "Former act" means former 1956 PA 217; former 1984 PA 192;
 26 former 1986 PA 54; former 2002 PA 733; or former 1965 PA 290, as
 27 applicable.

28 (d) "General public" means each individual who resides in this
 29 state and is 18 years of age or older, other than an individual or

1 the spouse of an individual who is licensed or registered in the
2 occupation or who has a material financial interest in the
3 occupation that is regulated by the specific article in which the
4 term is used.

5 (e) "Good moral character" means ~~good moral character~~ **that**
6 **term** as defined in, and determined under, 1974 PA 381, MCL 338.41
7 to 338.47.

8 (f) "Governmental subdivision" means ~~a governmental~~
9 ~~subdivision~~ **that term** as defined in section 2a of the Stille-
10 DeRossett-Hale single state construction code act, MCL 125.1502a.

11 (g) "Incompetence" means a departure from, or a failure to
12 conform to, minimal standards of acceptable practice for an
13 occupation.

14 (h) "Knowledge and skill" means information, education,
15 practical experience, and the facility to apply that information,
16 education, and practical experience.

17 (i) "License" includes the whole or part of a governmental
18 permit, certificate, approval, registration, charter, or similar
19 form of permission required under a specific article of this act.

20 (j) "Licensee" means a person that is issued a license under
21 this act.

22 (k) "Limitation" means a condition, stricture, constraint,
23 restriction, or probation attached to a license that relates to the
24 scope of practice of that occupation by the licensee. The term
25 includes, but is not limited to, any of the following:

26 (i) A requirement that the licensee perform only specified
27 functions of the licensee's occupation.

28 (ii) A requirement that the licensee perform the licensee's
29 occupation only for a specified period of time.

1 (iii) A requirement that the licensee perform the licensee's
2 occupation only within a specified geographical area.

3 (iv) A requirement that restitution be made or certain work be
4 performed before a license is issued or renewed or the licensee is
5 relicensed.

6 (v) A requirement that a person file a financial statement
7 certified by an individual who is licensed as a certified public
8 accountant under article 7 of the occupational code, 1980 PA 299,
9 MCL 339.720 to 339.736, with the department at regular intervals.

10 (vi) A requirement that reasonably assures a licensee's
11 competence to perform the licensee's occupation.

12 (vii) A requirement that all contracts of a licensee are
13 reviewed by an attorney.

14 (viii) A requirement that a licensee have on file with the
15 department a bond issued by a surety insurer that is approved by
16 the department or cash in an amount determined by the department.

17 (ix) A requirement that a licensee deposit money received in an
18 escrow account from which money may be disbursed only under certain
19 conditions as determined by the licensee and another party.

20 (x) A requirement that a licensee file reports with the
21 department at intervals determined by the department.

22 Sec. 107. As used in this act:

23 (a) "Michigan building code" means part 4 of the state
24 construction code, R 408.30401 to R 408.30499 of the Michigan
25 Administrative Code.

26 (b) "Michigan electrical code" means part 8 of the state
27 construction code, R 408.30801 to R 408.30873 of the Michigan
28 Administrative Code.

29 (c) "Michigan mechanical code" means part 9A of the state

1 construction code, R 408.30901a to R 408.30996 of the Michigan
2 Administrative Code.

3 (d) "Michigan plumbing code" means part 7 of the state
4 construction code, R 408.30701 to R 408.30792 of the Michigan
5 Administrative Code.

6 (e) "Municipality" means a city, village, or township.

7 (f) "Occupation" means a field of endeavor regulated under
8 this act.

9 (g) "Person" means an individual, sole proprietorship,
10 partnership, association, limited liability company, corporation,
11 or common law trust or a combination of those legal entities.
12 Person includes a department, board, school, institution,
13 establishment, or governmental entity.

14 (h) "Probation" means a sanction that permits a board to
15 evaluate over a period of time a licensee's fitness to practice an
16 occupation regulated under this act while the licensee continues to
17 practice the occupation.

18 (i) "Public access" means the right of a person to view and
19 copy files under the freedom of information act, 1976 PA 442, MCL
20 15.231 to 15.246.

21 (j) "Rule" means a rule promulgated under the administrative
22 procedures act of 1969.

23 (k) "State construction code" means the rules promulgated by
24 the state construction code commission under section 4 of the
25 Stille-DeRossett-Hale single state construction code act, MCL
26 125.1504, R 408.30101 to R 408.31194 of the Michigan ~~administrative~~
27 ~~code,~~ **Administrative Code**, including each part of that code that is
28 of limited application, and any modification of or amendment to
29 those rules.

1 (l) "Stille-DeRossett-Hale single state construction code act"
2 means 1972 PA 230, MCL 125.1501 to 125.1531.

3 (m) **"Uniformed services" means the Commissioned Corps of the**
4 **United States Public Health Service and the National Oceanic and**
5 **Atmospheric Administration Commissioned Officer Corps.**

6 (n) **"Veteran" means that term as defined in section 1 of 1965**
7 **PA 190, MCL 35.61.**

8 Sec. 219. (1) The department may grant a nonrenewable
9 temporary license to an individual who is applying for licensure
10 under a specific article of this act if the individual meets both
11 of the following:

12 (a) He or she provides proof acceptable to the department that
13 he or she holds a current license in good standing, or a current
14 registration in good standing, in that occupation, issued by an
15 equivalent licensing department, board, or authority, as determined
16 by the department, in another state of the United States, the
17 District of Columbia, Puerto Rico, the United States Virgin
18 Islands, another territory or protectorate of the United States, or
19 a foreign country.

20 (b) He or she did not previously have a license denied,
21 revoked, or suspended.

22 (2) If approved by a board, a temporary license issued under
23 subsection (1) is valid until 1 or more of the following occur:

24 (a) The results of the next scheduled examination are
25 available.

26 (b) The results of the next required evaluation procedure are
27 available.

28 (c) A license is issued.

29 (d) The next examination date of an examination for licensure

1 in the applicable occupation, if the applicant does not take the
2 examination.

3 (e) The applicant fails to meet the requirements for a
4 license.

5 (f) A change in employment is made.

6 (3) In addition to a temporary license under subsection (1),
7 the department shall grant a temporary license under a specific
8 article of this act to an individual who applies for a temporary
9 license if the applicant meets all of the following:

10 (a) He or she provides proof acceptable to the department that
11 he or she is ~~married to an individual who is serving in the armed~~
12 ~~forces and is on active duty.~~ **a dependent of a member of the armed**
13 **forces, a dependent of a member of the uniformed services, or a**
14 **dependent of a veteran.**

15 (b) He or she provides proof acceptable to the department that
16 he or she holds a current license in good standing, or a current
17 registration in good standing, in the trade or occupation for which
18 he or she is seeking a temporary license, issued by an equivalent
19 licensing department, board, or authority, as determined by the
20 department, **in consultation with the board**, in another state of the
21 United States, the District of Columbia, Puerto Rico, the United
22 States Virgin Islands, another territory or protectorate of the
23 United States, or a foreign country.

24 ~~(c) He or she provides proof acceptable to the department that~~
25 ~~his or her spouse is assigned to a duty station in this state and~~
26 ~~that he or she is also assigned to a duty station in this state~~
27 ~~under his or her spouse's permanent change of station orders.~~

28 (4) A temporary license issued under subsection (3) is valid
29 for 6 months and may be renewed for 1 additional 6-month term if

1 the department determines the temporary licensee continues to meet
2 the requirements of subsection (3) and needs additional time to
3 fulfill the requirements for initial licensure in this state.

4 (5) An individual ~~shall~~**must** not receive more than 2 temporary
5 licenses described in subsection (1) under a specific article of
6 this act within a 4-year period.

7 (6) The department may place a limitation on a temporary
8 license granted under this section.

9 **Sec. 223. (1) The department shall issue a license or a**
10 **certificate of registration for an occupation under this act**
11 **without examination to an individual who demonstrates to the**
12 **satisfaction of the department that he or she meets all of the**
13 **following at the time of application:**

14 (a) Provides proof that the individual is 1 of the following:

15 (i) A member of the armed forces or uniformed services.

16 (ii) A veteran.

17 (iii) A dependent of a member of the armed forces, a member of
18 the uniformed services, or a veteran.

19 (b) Holds a valid license or registration in that occupation
20 from an equivalent licensing department, board, or authority, as
21 determined by the department, in at least 1 other state of the
22 United States. For each license or registration described in this
23 subdivision that he or she holds, all of the following must be met:

24 (i) The license or registration is in good standing and he or
25 she has held that license or registration for at least 1 year.

26 (ii) There were minimum education requirements and, if
27 applicable, work experience requirements in effect for licensure or
28 registration in the other state, and the other state verifies that
29 he or she met those requirements for licensure or registration in

1 that state.

2 (iii) If the other state required an examination for licensure
3 or registration, he or she passed the examination.

4 (iv) The requirements for licensure or registration in the
5 other state are substantially equivalent to or exceed the
6 requirements of this act and any rule promulgated under this act
7 for the license or registration.

8 (c) Has not had a license or registration revoked, and has not
9 voluntarily surrendered a license or registration, in any other
10 state of the United States or a foreign country while under
11 investigation for unprofessional conduct.

12 (d) Has not had discipline imposed by any equivalent licensing
13 department, board, or authority in another state of the United
14 States. If another state of the United States has taken
15 disciplinary action against the applicant, the department shall
16 determine if the cause for the action was corrected and the matter
17 resolved. If the matter has not been resolved by that other state,
18 the department shall not issue or deny a license or registration
19 until the matter is resolved.

20 (e) Does not have a complaint, allegation, or investigation
21 pending before an equivalent licensing department, board, or
22 authority in another state of the United States or a foreign
23 country that relates to unprofessional conduct. If the applicant
24 has any complaints, allegations, or investigations pending, the
25 department shall suspend the application process and shall not
26 issue or deny a license or registration to the applicant until the
27 complaint, allegation, or investigation is resolved.

28 (f) Pays all applicable fees.

29 (g) Is of good moral character.

1 (h) Meets the age requirement of that occupation under this
2 act, if applicable.

3 (2) This section does not prevent the department from issuing
4 a temporary license under section 219 or issuing a license under
5 section 731(5), 907(3), or 1019(1).

6 Sec. 417. The department shall waive the fee for an initial
7 license or initial registration that is otherwise required under
8 this act, or an application processing fee charged by the
9 department for an initial license or initial registration, if the
10 applicant ~~is an~~ meets 1 of the following requirements:

11 (a) Is actively serving in the armed forces or the uniformed
12 services.

13 (b) Is an individual who served in the armed forces or
14 uniformed services and he or she provides to the department a form
15 DD214, form DD215, or any other form that is satisfactory to the
16 department that demonstrates he or she was separated from that
17 service with an honorable character of service or under honorable
18 conditions (general) character of service.

19 (c) Is a dependent of a member of the armed forces, a
20 dependent of a member of the uniformed services, or a dependent of
21 a veteran and he or she provides proof acceptable to the department
22 that he or she is a dependent as described in this subdivision.

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