HOUSE SUBSTITUTE FOR SENATE BILL NO. 450

A bill to amend 1980 PA 299, entitled "Occupational code,"

by amending sections 601, 602, 604, 605, 2405, 2411, and 2412 (MCL 339.601, 339.602, 339.604, 339.605, 339.2405, 339.2411, and 339.2412), sections 601 and 602 as amended by 2005 PA 278, section 604 as amended by 1989 PA 261, and sections 2411 and 2412 as amended by 2001 PA 113, and by adding sections 606 and 2404a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 601. (1) A person shall not engage in or attempt to
- 2 engage in the practice of an occupation regulated under this act or
- 3 use a title designated in this act unless the person possesses a
- 4 license or registration issued by the department for the
- 5 occupation.

- Senate Bill No. 450 (H-1) as amended December 11, 2007
- 1 (2) A school, institution, or person shall not operate or
- 2 attempt to operate a barber college, school of cosmetology, or real
- 3 estate school unless the school, institution, or person is licensed
- 4 or approved by the department.
- 5 (3) SUBJECT TO SECTION 411, A PERSON WHOSE LICENSE OR
- 6 REGISTRATION IS SUSPENDED, REVOKED, OR LAPSED, AS DETERMINED BY THE
- 7 RECORDS OF THE DEPARTMENT, IS CONSIDERED UNLICENSED OR
- 8 UNREGISTERED.
- 9 (4) (3) A EXCEPT AS OTHERWISE PROVIDED FOR IN SECTION 735, A
- 10 person, school, or institution that violates subsection (1) or (2)
- 11 is guilty of a misdemeanor —punishable by a fine of not more than
- 12 \$500.00, or imprisonment for not more than 90 days, or both.
- 13 (5) (4) A EXCEPT AS OTHERWISE PROVIDED FOR IN SECTION 735, A
- 14 person, school, or institution that violates subsection (1) or (2)
- 15 a second or any subsequent time is quilty of a misdemeanor 7
- 16 punishable , except as provided in section 735, by a fine of not
- 17 more than \$1,000.00, or imprisonment for not more than 1 year, or
- 18 both.
- 19 (6) NOTWITHSTANDING SUBSECTIONS (4) AND (5), A PERSON NOT
- 20 LICENSED UNDER ARTICLE 24 AS A RESIDENTIAL BUILDER OR A RESIDENTIAL
- 21 MAINTENANCE AND ALTERATION CONTRACTOR WHO VIOLATES SUBSECTION (1)
- 22 OR (2) IS GUILTY AS FOLLOWS:
- 23 (A) IN THE CASE OF A FIRST OFFENSE, A MISDEMEANOR PUNISHABLE
- 24 BY A FINE OF NOT LESS THAN \$5,000.00 OR MORE THAN \$25,000.00, OR
- 25 IMPRISONMENT FOR NOT MORE THAN 1 YEAR, OR BOTH.
- 26 (B) IN THE CASE OF A SECOND [OR SUBSEQUENT] OFFENSE, A MISDEMEANOR PUNISHABLE
- 27 BY A FINE OF NOT LESS THAN \$5,000.00 OR MORE THAN \$25,000.00, OR

- Senate Bill No. 450 (H-1) as amended December 11, 2007
- 1 IMPRISONMENT FOR NOT MORE THAN 2 YEARS, OR BOTH.
- 2 (C) IN THE CASE OF [AN OFFENSE THAT CAUSES DEATH OR SERIOUS INJURY], A FELONY
- 3 PUNISHABLE BY A FINE OF NOT LESS THAN \$5,000.00 OR MORE THAN
- 4 \$25,000.00, OR IMPRISONMENT FOR NOT MORE THAN 4 YEARS, OR BOTH.
- 5 (7) ANY VIOLATION OF THIS ACT SHALL INCLUDE A REQUIREMENT THAT
- 6 RESTITUTION BE MADE, BASED UPON PROOFS SUBMITTED TO AND FINDINGS
- 7 MADE BY THE TRIER OF FACT AS PROVIDED BY LAW.
- 8 (8) (5) Notwithstanding the existence and pursuit of any other
- 9 remedy, an affected person may maintain injunctive action to
- 10 restrain or prevent a person from violating subsection (1) or (2).
- 11 If successful in obtaining injunctive relief, the affected person
- 12 shall be entitled to actual costs and attorney fees.
- (9) (6) This act does not apply to a person engaging in or
- 14 practicing the following:
- 15 (a) Interior design.
- 16 (b) Building design.
- 17 (c) Any activity for which the person is licensed under the
- 18 state plumbing act, 2002 PA 733, MCL 338.3511 to 338.3569.
- 19 (d) Any activity for which the person is licensed under the
- 20 Forbes mechanical contractors act, 1984 PA 192, MCL 338.971 to
- **21** 338.988.
- (e) Any activity for which the person is licensed under the
- 23 electrical administrative act, 1956 PA 217, MCL 338.881 to 338.892.
- (10) $\frac{(7)}{}$ As used in subsection $\frac{(5)}{}$ (8), "affected person"
- 25 means a person directly affected by the actions of a person
- 26 suspected of violating subsection (1) or (2) and includes, but is
- 27 not limited to, a licensee or registrant, a board established

- 1 pursuant to this act, THE DEPARTMENT, a person who has utilized the
- 2 services of the person engaging in or attempting to engage in an
- 3 occupation regulated under this act or using a title designated by
- 4 this act without being licensed or registered by the department, or
- 5 a private association composed primarily of members of the
- 6 occupation in which the person is engaging in or attempting to
- 7 engage in or in which the person is using a title designated under
- 8 this act without being registered or licensed by the department.
- 9 (11) (8) An investigation may be conducted under article 5 to
- 10 enforce this section. A person who violates this section shall be
- 11 subject to this section and section—SECTIONS 506, 602, AND 606.
- 12 (12) THE DEPARTMENT, THE ATTORNEY GENERAL, OR A COUNTY
- 13 PROSECUTOR MAY UTILIZE FORFEITURE AS A REMEDY IN THE MANNER
- 14 PROVIDED FOR IN SECTION 606.
- 15 (13) (9)—The remedies under this section are independent and
- 16 cumulative. The use of 1 remedy by a person shall not bar the use
- 17 of other lawful remedies by that person or the use of a lawful
- 18 remedy by another person.
- 19 (14) (10)—An interior designer may perform services in
- 20 connection with the design of interior spaces including preparation
- 21 of documents relative to finishes, systems furniture, furnishings,
- 22 fixtures, equipment, and interior partitions that do not affect the
- 23 building mechanical, structural, electrical, or fire safety
- 24 systems.
- 25 (15) UPON ENTERING A CONVICTION UNDER SUBSECTION (4) OR (5), A
- 26 COURT ENTERING THE CONVICTION SHALL NOTIFY, BY MAIL, FACSIMILE
- 27 TRANSMISSION, OR ELECTRONIC MAIL, THE BUREAU OF COMMERCIAL SERVICES

1 AT THE DEPARTMENT.

- 2 Sec. 602. A person, school, or institution that violates this
- 3 act or a rule or order promulgated or issued under this act shall
- 4 be assessed 1 or more of the following penalties:
- 5 (a) Placement of a limitation on a license or certificate of
- 6 registration for an occupation regulated under articles 8 to 25.
- 7 (b) Suspension of a license or certificate of registration.
- 8 (c) Denial of a license, certificate of registration, or
- 9 renewal of a license or certificate of registration.
- 10 (d) Revocation of a license or certificate of registration.
- 11 (e) An IN THE CASE OF A PERSON LICENSED OR REGISTERED UNDER
- 12 THIS ACT AND EXCEPT AS OTHERWISE PROVIDED FOR BY THIS ACT, AN
- 13 administrative fine to be paid to the department, not to exceed
- **14** \$10,000.00.
- (f) Censure.
- 16 (g) Probation.
- 17 (h) A requirement that restitution be made, BASED UPON PROOFS
- 18 SUBMITTED TO, AND FINDINGS MADE BY, THE HEARING EXAMINER AFTER A
- 19 CONTESTED CASE.
- 20 Sec. 604. A person who violates 1 or more of the provisions of
- 21 an article which regulates an occupation or who commits 1 or more
- 22 of the following shall be subject to the penalties prescribed in
- 23 section 602:
- 24 (a) Practices fraud or deceit in obtaining a license or
- 25 registration.
- 26 (b) Practices fraud, deceit, or dishonesty in practicing an
- 27 occupation.

- 1 (c) Violates a rule of conduct of an occupation.
- 2 (d) Demonstrates a lack of good moral character.
- 3 (e) Commits an act of gross negligence in practicing an
- 4 occupation.
- 5 (f) Practices false advertising.
- 6 (g) Commits an act which demonstrates incompetence.
- 7 (h) Violates any other provision of this act or a rule
- 8 promulgated under this act for which a penalty is not otherwise
- 9 prescribed.
- (i) Fails to comply with a subpoena issued under this act.
- 11 (j) Fails to respond to a citation as required by section 555.
- 12 (k) Violates or fails to comply with a final order issued by a
- 13 board, including a stipulation, settlement agreement, or a
- 14 citation.
- 15 (l) AIDS OR ABETS ANOTHER PERSON IN THE UNLICENSED PRACTICE OF
- 16 AN OCCUPATION.
- 17 Sec. 605. (1) The department may bring any appropriate action,
- 18 INCLUDING MEDIATION OR OTHER ALTERNATIVE DISPUTE RESOLUTION, in the
- 19 name of the people of this state to carry out this act and to
- 20 enforce this act.
- 21 (2) If the attorney general considers it necessary, the
- 22 attorney general shall intervene in and prosecute all cases arising
- 23 under this act.
- 24 (3) THIS SECTION DOES NOT PROHIBIT THE DEPARTMENT FROM
- 25 BRINGING ANY CIVIL, CRIMINAL, OR ADMINISTRATIVE ACTION FOR THE
- 26 ENFORCEMENT OF SECTION 601.
- 27 (4) THE DEPARTMENT HAS STANDING TO BRING AN ADMINISTRATIVE

- 1 ACTION OR TO DIRECTLY BRING AN ACTION IN A COURT OF COMPETENT
- 2 JURISDICTION REGARDING UNLICENSED PRACTICE OF AN OCCUPATION.
- 3 SEC. 606. THE DEPARTMENT, THE ATTORNEY GENERAL, AND A COUNTY
- 4 PROSECUTOR MAY UTILIZE THE FORFEITURE PROVISIONS OF CHAPTER 47 OF
- 5 THE REVISED JUDICATURE ACT OF 1961, 1961 PA 236, MCL 600.4701 TO
- 6 600.4709, FOR ITEMS SEIZED AND DETERMINED TO BE PROCEEDS OF A
- 7 CRIME, SUBSTITUTED PROCEEDS OF A CRIME, OR THE INSTRUMENTALITY OF A
- 8 CRIME AS THOSE TERMS ARE DEFINED UNDER SECTION 4701 OF THE REVISED
- 9 JUDICATURE ACT OF 1961, 1961 PA 236, MCL 600.4701.
- 10 SEC. 2404A. A LICENSEE SHALL, AS PART OF THE CONTRACT, PROVIDE
- 11 INFORMATION RELATING TO HIS OR HER INDIVIDUAL LICENSE AND TO ANY
- 12 LICENSE ISSUED TO THAT PERSON AS A QUALIFYING OFFICER OF ANOTHER
- 13 ENTITY.
- 14 Sec. 2405. (1) If a license is applied for by a corporation,
- 15 partnership, or association, LIMITED LIABILITY COMPANY, OR OTHER
- 16 ENTITY, the applicant shall designate 1 of its officers, partners,
- 17 members, or managing agent as a qualifying officer who, upon taking
- 18 and passing the examination, and upon meeting all other
- 19 requirements of this article, shall be IS entitled to a license to
- 20 act for the corporation, partnership, or association, LIMITED
- 21 LIABILITY COMPANY, OR OTHER ENTITY. THE QUALIFYING OFFICER SHALL
- 22 ALSO OBTAIN AND MAINTAIN A LICENSE UNDER THIS ARTICLE AS AN
- 23 INDIVIDUAL. The qualifying officer shall be responsible for
- 24 exercising the supervision or control of the building or
- 25 construction operations necessary to secure full compliance with
- 26 this article and the rules promulgated under this article. A
- 27 license shall not be issued to a corporation, partnership, or

- 1 association, LIMITED LIABILITY COMPANY, OR OTHER ENTITY unless each
- 2 partner, trustee, director, officer, member, and a person
- 3 exercising control is at least 18 years of age, and meets the
- 4 requirements for a license under this article other than those
- 5 relating to knowledge and experience. IF AN INDIVIDUAL LICENSEE IS
- 6 ALSO A QUALIFYING OFFICER, THE INDIVIDUAL'S NAME AND LICENSE NUMBER
- 7 SHALL BE LISTED ON ANY LICENSE ISSUED TO THE INDIVIDUAL AS A
- 8 QUALIFYING OFFICER. IN THE CASE OF A LICENSE ISSUED UNDER THIS
- 9 SUBSECTION, EACH OFFICER, PARTNER, MEMBER, OR MANAGING AGENT,
- 10 WHETHER OR NOT HE OR SHE IS THE QUALIFYING OFFICER, SHALL PROVIDE A
- 11 COPY OF HIS OR HER OPERATOR'S LICENSE OR STATE PERSONAL
- 12 IDENTIFICATION CARD TO THE DEPARTMENT FOR USE BY THE DEPARTMENT
- 13 ONLY FOR IDENTIFICATION PURPOSES. A LICENSEE GRANTED INACTIVE
- 14 STATUS UNDER SECTION 2404B IS NOT ELIGIBLE TO SERVE AS A QUALIFYING
- 15 OFFICER.
- 16 (2) The license of a corporation, partnership, ASSOCIATION,
- 17 LIMITED LIABILITY COMPANY, or other association—ENTITY shall be
- 18 suspended when a license or license application of a qualifying
- 19 officer, partner, trustee, director, officer, member, or a person
- 20 exercising control of the corporation, partnership, ASSOCIATION,
- 21 LIMITED LIABILITY COMPANY, or other association ENTITY is
- 22 suspended, revoked, or denied. The suspension shall remain in force
- 23 until the board determines that the disability created by the
- 24 suspension, revocation, or denial has been removed.
- 25 (3) A suspension, revocation, or denial of a license of an
- 26 individual shall suspend, revoke, or deny any other license held or
- 27 applied for by that individual issued under this article. A

- 1 suspension, revocation, or denial of a license by the department
- 2 may SHALL suspend, revoke, or deny any other license held or
- 3 applied for under this article by the qualifying officer of a
- 4 corporation, partnership, ASSOCIATION, LIMITED LIABILITY COMPANY,
- 5 or other association ENTITY whose license is suspended, revoked, or
- 6 denied.
- 7 (4) If the qualifying officer of a licensee ceases to be its
- 8 qualifying officer, the license is suspended. However, upon
- 9 request, the department may permit the license to remain in force
- 10 for a reasonable time to permit the qualification of a new
- 11 qualifying officer.
- 12 Sec. 2411. (1) A complaint filed under this section or article
- 13 5, or both, shall be made within 18 months after completion,
- 14 occupancy, or purchase, whichever occurs later, of THE LATEST OF
- 15 THE FOLLOWING REGARDING a residential structure or a combination of
- 16 residential and commercial structure AS FOLLOWS:
- 17 (A) IN THE CASE OF A MAINTENANCE AND ALTERATION CONTRACT:
- 18 (i) COMPLETION.
- 19 (ii) OCCUPANCY.
- 20 (iii) PURCHASE.
- 21 (B) IN THE CASE OF A PROJECT REQUIRING AN OCCUPANCY PERMIT:
- 22 (i) ISSUANCE OF THE CERTIFICATE OF OCCUPANCY OR TEMPORARY
- 23 CERTIFICATE OF OCCUPANCY.
- (ii) CLOSING.
- 25 (2) A licensee or applicant who commits 1 or more of the
- 26 following shall be subject to the penalties set forth in article 6:
- (a) Abandonment without legal excuse of a contract,

- 1 construction project, or operation engaged in or undertaken by the
- 2 licensee.
- 3 (b) Diversion of funds or property received for prosecution or
- 4 completion of a specific construction project or operation, or for
- 5 a specified purpose in the prosecution or completion of a
- 6 construction project or operation, and the funds or property
- 7 application or use for any other construction project or operation,
- 8 obligation, or purposes.
- 9 (c) Failure to account for or remit money coming into the
- 10 person's possession which belongs to others.
- 11 (d) A willful departure from or disregard of plans or
- 12 specifications in a material respect and prejudicial to another,
- 13 without consent of the owner or an authorized representative and
- 14 without the consent of the person entitled to have the particular
- 15 construction project or operation completed in accordance with the
- 16 plans and specifications.
- 17 (e) A willful violation of the building laws of the state or
- 18 of a political subdivision of the state.
- 19 (f) In a RESIDENTIAL maintenance and alteration contract,
- 20 failure to furnish to a lender the purchaser's signed completion
- 21 certificate executed upon completion of the work to be performed
- 22 under the contract.
- 23 (g) If a licensed residential builder or licensed residential
- 24 maintenance and alteration contractor, failure to notify the
- 25 department within 10 days of a change in the control or direction
- 26 of the business of the licensee resulting from a change in the
- 27 licensee's partners, directors, officers, or trustees, or a change

- 1 in the control or direction of the business of the licensee
- 2 resulting from any other occurrence or event.
- 3 (h) Failure to deliver to the purchaser the entire agreement
- 4 of the parties including finance and any other charge arising out
- 5 of or incidental to the agreement when the agreement involves
- 6 repair, alteration, or addition to, subtraction from, improvement
- 7 of, wrecking of, or demolition of a residential structure or
- 8 combination of residential and commercial structure, or building of
- 9 a garage, or laying of concrete on residential property, or
- 10 manufacture, assembly, construction, sale, or distribution of a
- 11 residential or combination residential and commercial structure
- 12 which is prefabricated, preassembled, precut, packaged, or shell
- 13 housing.
- 14 (i) If a salesperson, failure to pay over immediately upon
- 15 receipt money received by the salesperson, in connection with a
- 16 transaction governed by this article to the residential builder or
- 17 residential maintenance and alteration contractor under whom the
- 18 salesperson is licensed.
- 19 (j) Aiding or abetting an unlicensed person to evade this
- 20 article, or knowingly combining or conspiring with, or acting as
- 21 agent, partner, or associate for an unlicensed person, or allowing
- 22 one's license to be used by an unlicensed person, or acting as or
- 23 being an ostensible licensed residential builder or licensed
- 24 residential maintenance and alteration contractor for an
- 25 undisclosed person who does or shall control or direct, or who may
- 26 have the right to control or direct, directly or indirectly, the
- 27 operations of a licensee.

- 1 (k) Acceptance of a commission, bonus, or other valuable
- 2 consideration by a salesperson for the sale of goods or the
- 3 performance of service specified in the article from a person other
- 4 than the residential builder or residential maintenance and
- 5 alteration contractor under whom the person is licensed.
- 6 (1) Becoming insolvent, filing a bankruptcy action, becoming
- 7 subject to a receivership, assigning for the benefit of creditors,
- 8 failing to satisfy judgments or liens, or failing to pay an
- 9 obligation as it becomes due in the ordinary course of business.
- 10 (m) Poor workmanship or workmanship WORKMANSHIP not meeting
- 11 the standards of the custom or trade verified by a building code
- 12 enforcement official MICHIGAN RESIDENTIAL CODE AS PROMULGATED UNDER
- 13 THE STILLE-DEROSSETT-HALE SINGLE STATE CONSTRUCTION CODE ACT, 1972
- 14 PA 230, MCL 125.1501 TO 125.1531.
- 15 (3) The department shall suspend or revoke the license of a
- 16 person licensed under this article whose failure to pay a lien
- 17 claimant results in a payment being made from the homeowner
- 18 construction lien recovery fund pursuant to the construction lien
- 19 act, 1980 PA 497, MCL 570.1101 to 570.1305, regardless of whether
- 20 the person was performing services as a licensee under this
- 21 article; under the electrical administrative act, 1956 PA 217, MCL
- 22 338.881 to 338.892; or under 1929 PA 266, MCL 338.901 to 338.917
- 23 THE STATE PLUMBING ACT, 2002 PA 733, MCL 338.3511 TO 338.3569. The
- 24 department shall not renew a license or issue a new license until
- 25 the licensee has repaid in full to the fund the amount paid out
- 26 plus the costs of litigation and interest at the rate set by
- 27 section 6013 of the revised judicature act of 1961, 1961 PA 236,

- **1** MCL 600.6013.
- 2 (4) The department shall conduct a review upon notice that the
- 3 licensee has violated the asbestos abatement contractors licensing
- 4 act, 1986 PA 135, MCL 338.3101 to 338.3319. The department may
- 5 suspend or revoke that person's license for a knowing violation of
- 6 the asbestos abatement contractors licensing act, 1986 PA 135, MCL
- **7** 338.3101 to 338.3319.
- 8 (5) Notwithstanding article 5, the following apply to
- 9 administrative proceedings regarding workmanship under subsection
- **10** (2) (m):
- 11 (a) A complaint submitted by an owner shall describe in
- 12 writing to the department the factual basis for the allegation. The
- 13 homeowner shall send a copy of the initial complaint to the
- 14 licensee concurrent with the submission of the complaint to the
- 15 department.
- 16 (b) The department shall presume the innocence of the licensee
- 17 throughout the proceeding until the administrative law hearing
- 18 examiner finds otherwise in a determination of findings of fact and
- 19 conclusions of law under article 5. The licensee has the burden of
- 20 refuting evidence submitted by a person during the administrative
- 21 hearing. The licensee also has the burden of proof regarding the
- 22 reason deficiencies were not corrected.
- (c) Upon receipt of a building inspection report issued to the
- 24 department by a state or local building enforcement official
- 25 authorized to do so under the Stille-DeRossett-Hale single state
- 26 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531, which
- 27 report verifies or confirms the substance of the complaint, the

- 1 department shall send by certified mail a copy of the verified
- 2 complaint to both the complainant and the licensee. Failure of the
- 3 department to send a copy of the verified complaint within 30 days
- 4 of receipt of the building inspection report prevents the
- 5 department from assessing a fine against the licensee under article
- 6 6 but does not prevent the department from pursuing restitution,
- 7 license suspension, or other remedies provided under this act.
- 8 (d) A licensee may contractually provide for an alternative
- 9 dispute resolution procedure to resolve complaints filed with the
- 10 department. The procedure shall be conducted by a neutral third
- 11 party for determining the rights and responsibilities of the
- 12 parties and shall be initiated by the licensee, who shall provide
- 13 notice of the initiation of the procedure to the complainant by
- 14 certified mail not less than 30 days before the commencement of
- 15 that procedure. The procedure shall be conducted at a location
- 16 mutually agreed to by the parties.
- 17 (e) The department shall not initiate a proceeding against a
- 18 licensee under this subsection in the case of a licensee who
- 19 contractually provides for an alternative dispute resolution
- 20 procedure that has not been utilized and completed unless it is
- 21 determined that the licensee has not complied with a decision or
- 22 order issued as a result of that alternative dispute resolution
- 23 procedure, that alternative dispute resolution procedure was not
- 24 fully completed within 90 days after the filing of the complaint
- 25 with the department, or an alternative dispute resolution procedure
- 26 meeting the requirements of subdivision (D) is not available to
- 27 the complainant.

- 1 (f) The complainant shall demonstrate that notice has been
- 2 provided to the licensee describing reasonable times and dates that
- 3 the residential structure was accessible for any needed repairs and
- 4 proof acceptable to the department that the repairs were not made
- 5 within 60 days after the sending of the notice. This subdivision
- 6 does not apply where the department determines a necessity to
- 7 safeguard the structure or to protect the occupant's health and
- 8 safety and, in such case, the department may utilize any remedy
- 9 available under section 504(3)(a) through (d).
- 10 (g) In the case where the owner and licensee have agreed
- 11 contractually on mutually acceptable performance guidelines
- 12 relating to workmanship, the department shall consider those
- 13 guidelines in its evaluation of a complaint. The guidelines shall
- 14 be consistent with the Stille-DeRossett-Hale single state
- 15 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.
- 16 (6) IN ANY CASE WHERE THE LICENSEE OR RESPONDENT FAILS TO
- 17 APPEAR, PARTICIPATE, OR DEFEND ANY ACTION, THE BOARD SHALL ISSUE AN
- 18 ORDER GRANTING BY DEFAULT THE RELIEF REQUESTED, BASED UPON PROOFS
- 19 SUBMITTED TO AND FINDINGS MADE, BY THE HEARING EXAMINER AFTER A
- 20 CONTESTED CASE.
- 21 (7) (6) As used in this section, "verified complaint" means a
- 22 complaint in which all or a portion of the allegations have been
- 23 confirmed by the building inspection report AN AFFIDAVIT OF THE
- 24 STATE OR LOCAL BUILDING OFFICIAL.
- 25 Sec. 2412. (1) A person or qualifying officer for a
- 26 corporation or member of a residential builder or residential
- 27 maintenance and alteration contractor shall not bring or maintain

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- 1 an action in a court of this state for the collection of
- 2 compensation for the performance of an act or contract for which a
- 3 license is required by this article without alleging and proving
- 4 that the person was licensed under this article during the
- 5 performance of the act or contract.
- 6 (2) Failure of the person bringing a complaint against a
- 7 licensee to utilize a contractually provided alternative dispute
- 8 resolution procedure shall be an affirmative defense to an action
- 9 brought in a court of this state against a licensee under this
- 10 article.
- 11 (3) A PERSON OR QUALIFYING OFFICER FOR A CORPORATION OR A
- 12 MEMBER OF A RESIDENTIAL BUILDER OR RESIDENTIAL MAINTENANCE AND
- 13 ALTERATION CONTRACTOR SHALL NOT IMPOSE OR TAKE ANY LEGAL OR OTHER
- 14 ACTION TO IMPOSE A LIEN ON REAL PROPERTY UNLESS THAT PERSON WAS
- 15 LICENSED UNDER THIS ARTICLE DURING THE PERFORMANCE OF THE ACT OR
- 16 CONTRACT.
- 17 (4) A PROSECUTING ATTORNEY AND THE ATTORNEY GENERAL MAY BRING
- 18 AN ACTION FOR A CIVIL VIOLATION IN A COURT OF COMPETENT
- 19 JURISDICTION AGAINST A PERSON NOT LICENSED UNDER THIS ARTICLE THAT
- 20 HAS VIOLATED SECTION 601(1) OR (2). THE COURT SHALL ASSESS A CIVIL
- 21 [FINE], TO BE PAID TO THE PROSECUTING ATTORNEY OR THE
- 22 ATTORNEY GENERAL BRINGING THE ACTION, OF NOT LESS THAN \$5,000.00
- 23 AND NOT MORE THAN \$25,000.00, ASIDE FROM ANY CIVIL DAMAGES OR
- 24 RESTITUTION.
- 25 Enacting section 1. This amendatory act does not take effect
- 26 unless all of the following bills of the 94th Legislature are
- 27 enacted into law:

Senate Bill No. 450 (H-1) as amended July 17, 2007 as amended December 11, 2007

- 1 (a) Senate Bill No. 451.
- 2 (b) Senate Bill No. 452.
- 3 (c) Senate Bill No. 453. [[Enacting section 2. Sections 2405, 2411, and 2412 of the occupational code, 1980 PA 299, MCL 339.2405, 339.2411, and 339.2412, as amended by this amendatory act, and sections 606 and 2404a of the occupational code, 1980 PA 299, as added by this amendatory act, take effect June 1, 2008.]]