

**SUBSTITUTE FOR
HOUSE BILL NO. 6353**

A bill to regulate certain activities involving fire sprinkler and fire suppression systems; to establish certain licensing and endorsement standards; to provide for certain powers and duties for certain state agencies; to create certain boards; to create a fund for certain purposes and to impose certain fees; and to provide for certain penalties and remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "fire
2 sprinkler regulatory act".

3 Sec. 3. As used in this act:

4 (a) "Apprentice" means a person who is working in a training
5 capacity to service or install special agent fire suppression
6 systems or fire extinguishing systems and who is studying in
7 accordance with a program approved by the bureau.

1 (b) "Apprentice fire sprinkler fitter permit" means a permit
2 issued to an apprentice sprinkler fitter.

3 (c) "Board" means the Michigan fire sprinkler board.

4 (d) "Bureau" means the bureau of fire services within the
5 department.

6 (e) "Contractor" means a person holding a Michigan fire
7 sprinkler contractor license.

8 (f) "Department" means the department of labor and economic
9 growth.

10 (g) "Endorsement" means a document, issued by the bureau, to
11 an individual who has met qualifications that authorizes the
12 individual to service or install special agent fire suppression
13 systems or fire extinguishing systems.

14 (h) "Fire extinguishing system" means a fire sprinkler system
15 designed in accordance with nationally recognized standards that
16 consists of an assembly of piping or conduits that conveys water,
17 foam, or air with or without agents to dispersal openings or
18 devices to extinguish, control, or contain fire and that provides
19 protection from exposure to fire or the products of combustion.
20 Fire extinguishing system includes underground and overhead piping,
21 ponds, tanks, pumps, extra or special hazard applications, and
22 other related components or devices necessary for water supplies.

23 (i) "Fire sprinkler fitter" means an individual who works on
24 fire suppression systems.

25 (j) "Fund" means the fire sprinkler fitter fund created in
26 section 9.

27 (k) "Inspection" means the periodic examination of premises,

1 equipment, or procedures, or of a licensed or endorsed person or
2 entity, to determine whether the person's or entity's business or
3 profession is being conducted in a manner consistent with the
4 public health, safety, and welfare. Inspection includes the
5 inquiry, analysis, audit, or other pursuit of information, with
6 respect to a written complaint or other information before the
7 bureau, that is carried out for the purpose of assisting the bureau
8 in determining any of the following:

9 (i) Whether a person has violated a provision of law justifying
10 discipline against the person.

11 (ii) Whether a license should be granted or denied.

12 (iii) Whether the bureau should seek an injunction against
13 unlicensed practice.

14 (l) "Install" means the technical work that may be performed
15 only by an endorsed individual or an apprentice in the assembly of
16 a special agent fire suppression system or fire extinguishing
17 system but does not include the delivery of supplies or the off-
18 site cutting or threading of pipe. Install includes the following
19 tasks relative to the assembly of a special agent fire suppression
20 system or fire extinguishing system:

21 (i) A determination of the course or plan of installation.

22 (ii) Jobsite assembly and installation of metal or nonmetal
23 pipe fittings including, but not limited to, fittings made of
24 brass, copper, lead, glass, and plastic.

25 (iii) The joining of piping by any means, including pipes joined
26 by threaded, caulked, wiped, soldered, brazed, fused, or cemented
27 joints.

1 (iv) The securing of a pipe to the structure by any means
2 including, but not limited to, clamps, brackets, hangers, and
3 welds.

4 (v) The testing of the installed system for mechanical
5 malfunctions.

6 (m) "Journey fire sprinkler license" means a license issued to
7 a journey sprinkler fitter.

8 (n) "License" means the document issued by the bureau that
9 authorizes a person or entity to engage in the business of
10 servicing or installing special agent fire suppression systems or
11 fire extinguishing systems.

12 (o) "Registered fire sprinkler fitter apprenticeship program"
13 means a 5-year program of apprenticeship training with the United
14 States department of labor or a state apprentice council involving
15 at least 8,500 hours of documented practical experience in the
16 installation of fire protection equipment and at least 850 hours of
17 classroom, shop, or related instruction in the fire protection
18 trade.

19 (p) "Service", when referring to fire suppression systems,
20 means the maintenance and testing required to keep the protective
21 signaling, extinguishing, and suppression system and its component
22 parts in an operative condition at all times together with
23 replacement of the system, or its component parts, with listed or
24 approved parts when for any reason they become undependable,
25 defective, or inoperative.

26 (q) "Special agent fire suppression system" means an approved
27 system and components that require individual engineering in

1 accordance with manufacturer specifications and includes dry
2 chemical, carbon dioxide, halogenated, gaseous agent, foam, and wet
3 chemical systems. Special agent fire suppression system includes a
4 preengineered system but does not include a fire extinguishing
5 system.

6 Sec. 5. (1) An individual shall not engage in the business of
7 installing special agent fire suppression systems or fire
8 extinguishing systems unless holding a license issued by the
9 department in the appropriate endorsement.

10 (2) An individual shall obtain an endorsement for the
11 following services:

12 (a) Special agent fire suppression systems.

13 (b) Fire extinguishing systems.

14 (3) The license and any endorsement must be prominently
15 displayed at the business premises, and copies must be carried by
16 the person conducting each installation or servicing and must be
17 shown to anyone who requests to see the documents.

18 (4) The bureau shall enforce this act and may conduct
19 inspections regarding activities regulated under this act.

20 Sec. 7. (1) An application for a license and any endorsements
21 shall be made on a form prescribed by the bureau and accompanied by
22 the appropriate fee. The department shall issue a license only to
23 an individual. The department shall delineate licensure classes for
24 contractors, journey, and apprentice levels by rule promulgated
25 under the administrative procedures act of 1969, 1969 PA 306, MCL
26 24.201 to 24.328.

27 (2) The department shall issue a license and endorsement for 3

1 years and shall issue a 1-year or 2-year license for an application
2 submitted after the due date for licenses and endorsements in the
3 particular license cycle. Licenses and endorsements shall be issued
4 on October 1 of each 3-year license cycle.

5 Sec. 9. (1) The fire sprinkler fitter fund is created as a
6 revolving fund in the state treasury. The state treasurer shall be
7 the custodian of the fund and may invest the money in the fund and
8 any surplus of the fund in investments as are in the best interests
9 of the fund. The department is considered the administrator of the
10 fund for purposes of auditing. Money in the fund at the close of
11 each fiscal year shall remain in the fund and shall not lapse to
12 the general fund. The state fire marshal shall supervise and
13 administer the fund. Fees received by the bureau and money
14 collected under this act shall be deposited in the fund and shall
15 be appropriated by the legislature for administration and
16 enforcement of this act and the operation of the bureau, including
17 indirect overhead expenses. The state treasurer shall notify the
18 state fire marshal and the legislature of interest credited and the
19 balance of the fund as of September 30 of each year.

20 (2) The department shall charge an application fee of \$20.00,
21 a 3-year license fee of \$150.00, and a 3-year fee of \$40.00 for
22 each endorsement.

23 (3) Beginning 5 years after the effective date of this act,
24 the state fire marshal, after notifying the chairperson of the
25 senate and house appropriations committee of his or her intent to
26 establish the fees after approval of the board, and following a
27 public hearing held by the board, shall establish reasonable fees

1 to be charged by the bureau for issuance of certificates of
2 acceptability, testing, and evaluation.

3 (4) Within 30 days after the setting of fees under subsection
4 (3), the state fire marshal shall report to the legislature
5 regarding the following:

6 (a) The factors considered in the fee changes, including, but
7 not limited to, the increase in the nature and cost of the services
8 and the presence, absence, or change of any state or federal
9 mandates related to the services.

10 (b) Specific cost increases, if any, related to specific
11 services and the method of determining that increased cost.

12 (c) The individuals with direct knowledge of the fee changes
13 who are available to answer questions regarding those changes.

14 Sec. 11. (1) There is created a Michigan fire sprinkler board
15 within the department. The board shall consist of 9 members
16 appointed by the governor with the advice and consent of the
17 senate.

18 (2) Except as otherwise provided for in this section, the
19 board shall have not less than 5 members who are licensed under
20 this act. The terms of the board members is 3 years, except that
21 the initial board shall have 3 members appointed for 1 year, 3
22 members appointed for 2 years, and 3 members appointed for 3 years.
23 In the case of the initial board and in order to retain their
24 membership, the 5 licensed members shall become licensed under this
25 act within 12 months after the appointment of the board.

26 (3) The board shall advise the department and the bureau on
27 matters of qualifications, examinations, standards of practice, and

1 disciplinary actions against licensees.

2 Sec. 13. (1) An individual seeking licensure shall meet the
3 following qualifications and testing standards:

4 (a) Completion of a bona fide government-registered fire
5 sprinkler fitter apprenticeship program that establishes specified
6 minimum requirements for on-the-job training and classroom and shop
7 instruction and is approved by the board and the bureau.

8 (b) Passage of a test acceptable to the board.

9 (2) Beginning the effective date of this act and until the
10 expiration of 12 months after the effective date of this act, the
11 department shall issue a license and appropriate endorsement,
12 without meeting the training, education, and examination
13 requirements imposed in this act, to an individual meeting
14 standards determined by the bureau.

15 Sec. 15. The following individuals are exempt from the
16 licensing requirements imposed by this act:

17 (a) Individuals who engage only in the routine visual
18 inspection of special agent fire suppression systems or fire
19 extinguishing systems owned by the person or entity and installed
20 on property under their control.

21 (b) An individual engaging in activity under any other license
22 that may be similar to activities regulated by this act.

23 Sec. 17. (1) Beginning the license cycle after the initial
24 license and endorsement and as a condition of renewal, an endorsee
25 shall obtain a minimum of 24 hours of continuing education per
26 license cycle and submit copies of continuing education
27 certificates with the application for renewal.

1 (2) The following continuing education programs may be
2 preapproved by the bureau for continuing education credit:

3 (a) Workshops, seminars, and educational conferences sponsored
4 by fire protection equipment manufacturers or trade associations.

5 (b) Courses in specialized programs approved or sponsored by
6 the bureau.

7 (c) Distance learning, video, or correspondence course work
8 approved by the bureau.

9 (e) Any continuing education which has been obtained in
10 another state that meets the continuing education standards imposed
11 in this state and is approved by the bureau.

12 (f) College or vocational school course work, approved by the
13 bureau, which is germane to the profession and contributes directly
14 to the professional competence of the endorsed individual, subject
15 to the following limitations:

16 (i) The endorsed individual must pass the course.

17 (ii) One semester credit shall equal 15 hours of continuing
18 education, and 1/4 credit shall equal 10 hours of continuing
19 education.

20 Sec. 19. (1) All work performed by an apprentice must be
21 subject to direct and task-specific instruction and supervision of
22 an endorsed individual.

23 (2) The bureau shall provide for an apprenticeship program.
24 Once an apprenticeship program has been approved, the licensee
25 shall provide the bureau with a list of all apprentices performing
26 work for the licensee and the name of the endorsed individual under
27 whom each apprentice will be working. The licensee shall provide

1 the bureau with updates of such list no later than 30 days after
2 any addition or subtraction of an apprentice from its program.

3 Sec. 21. (1) As a condition to the issuance of a license, the
4 licensee shall obtain and maintain in full force, and file with the
5 bureau, a full-term commercial general liability insurance policy
6 from an insurance company authorized to do business in this state
7 and submit verification of worker's compensation insurance.

8 (2) As a condition to the issuance of a license, an individual
9 engaging in the business of servicing fire extinguishers shall
10 obtain and maintain commercial general liability insurance with a
11 minimum limit per occurrence of \$500,000.00 that includes
12 premises/operations and products/completed operations coverage.

13 (3) As a condition to the issuance of a license, an individual
14 engaging in the business of selling, servicing, or installing
15 special agent fire suppression systems or fire extinguisher systems
16 shall obtain and maintain commercial general liability insurance
17 with a minimum limit per occurrence of \$1,000,000.00 that includes
18 premises/operations and products/completed operations coverage.

19 (4) Failure to maintain liability insurance required under
20 this section constitutes grounds for denial, suspension, or
21 revocation of a license.

22 (5) The department may revoke, suspend, or deny a license or
23 endorsement under this act after notice and an opportunity for a
24 hearing under the administrative procedures act of 1969, 1969 PA
25 306, MCL 24.201 to 24.328.

26 (6) In a hearing conducted under subsection (5) and in lieu of
27 a revocation, suspension, or denial of a license or endorsement,

1 the department may impose an administrative fine not to exceed
2 \$500.00 or issue an order containing any conditions or limitations
3 to the licensed or endorsed activity.

4 (7) This section does not prohibit the department or bureau
5 and any applicant, licensee, or endorsee from informally settling
6 any controversy before or after the filing of an administrative
7 complaint.

8 Sec. 23. A person engaged in activity regulated by this act
9 without a license and appropriate endorsement and without being
10 exempt from licensure under this act is guilty of a misdemeanor.

11 Sec. 25. The director of the department may promulgate rules
12 under the administrative procedures act of 1969, 1969 PA 306, MCL
13 24.201 to 24.328, for the purpose of administering and enforcing
14 this act.