

HOUSE BILL No. 5502

March 21, 2012, Introduced by Rep. Foster and referred to the Committee on Regulatory Reform.

A bill to amend 1980 PA 299, entitled "Occupational code," by amending section 2404b (MCL 339.2404b), as added by 2007 PA 157.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2404b. (1) ~~Beginning the effective date of the amendatory~~
2 ~~act that added this section, applicants for initial licensure~~
3 ~~either JUNE 1, 2008, THE DEPARTMENT SHALL NOT ISSUE A LICENSE TO AN~~
4 **INDIVIDUAL APPLYING FOR AN INITIAL INDIVIDUAL LICENSE** as a
5 residential builder or as a residential maintenance and alteration
6 contractor ~~shall successfully complete a prelicensure course of~~
7 ~~study as prescribed by this subsection. Licensees holding UNLESS HE~~
8 **OR SHE HAS SUCCESSFULLY MET THE PRELICENSURE COURSE OF STUDY**
9 **REQUIREMENTS OF THIS SUBSECTION OR IS EXEMPT FROM THOSE**
10 **REQUIREMENTS UNDER THIS SUBSECTION. ALL OF THE FOLLOWING APPLY TO**
11 **THE PRELICENSURE COURSE OF STUDY REQUIRED UNDER THIS SUBSECTION:**

1 (A) IF a residential builder or a residential maintenance and
2 alteration contractor WHO HELD AN INDIVIDUAL license on the
3 ~~effective date of the amendatory act that added this section that~~
4 ~~are JUNE 1, 2008 IS~~ renewing a ~~THAT~~ license, ~~in the capacity of an~~
5 ~~individual or qualifying officer, or both, are HE OR SHE IS~~ exempt
6 from the requirement of successfully completing prelicensure
7 courses described in this subsection.

8 (B) IF AN INDIVIDUAL IS APPLYING FOR A LICENSE AS A
9 RESIDENTIAL BUILDER OR RESIDENTIAL MAINTENANCE AND ALTERATION
10 CONTRACTOR, AND HE OR SHE HELD A LICENSE AS A RESIDENTIAL BUILDER
11 OR RESIDENTIAL MAINTENANCE AND ALTERATION CONTRACTOR AT ANY TIME
12 WITHIN THE 9-YEAR PERIOD PRECEDING HIS OR HER APPLICATION, THAT
13 INDIVIDUAL IS EXEMPT FROM THE REQUIREMENT OF SUCCESSFULLY
14 COMPLETING PRELICENSURE COURSES DESCRIBED IN THIS SUBSECTION.

15 (C) The department shall ~~require an applicant not exempted~~
16 ~~under this subsection to~~ NOT ISSUE AN INITIAL LICENSE TO AN
17 INDIVIDUAL UNLESS HE OR SHE successfully ~~complete~~ COMPLETES 60
18 hours of approved prelicensure courses ~~consisting of~~ OR HE OR SHE
19 IS EXEMPT FROM THOSE REQUIREMENTS UNDER THIS SUBSECTION.

20 (D) THE 60 HOURS OF PRELICENSURE COURSES DESCRIBED IN
21 SUBDIVISION (C) SHALL INCLUDE at least 6 hours of courses in each
22 of the following areas of competency:

- 23 (i) ~~(a)~~ Business management, estimating, and job costing.
24 (ii) ~~(b)~~ Design and building science.
25 (iii) ~~(c)~~ Contracts, liability, and risk management.
26 (iv) ~~(d)~~ Marketing and sales.
27 (v) ~~(e)~~ Project management and scheduling.

1 (vi) ~~(f)~~—The current Michigan residential code.

2 (vii) ~~(g)~~—Construction safety standards promulgated under the
3 Michigan occupational safety and health act, 1974 PA 154, MCL
4 408.1001 to 408.1094.

5 (2) ~~Beginning the calendar year after the effective date of~~
6 ~~the amendatory act that added this section, a person obtaining~~ **IN**
7 **THE 2009 CALENDAR YEAR, AN INDIVIDUAL WHO OBTAINS AN** initial
8 ~~licensure~~ **LICENSE** under this article as a residential builder or a
9 residential maintenance and alteration contractor ~~shall~~ **MUST**
10 successfully complete ~~not less than~~ **AT LEAST** 3 hours of activities
11 demonstrating continuing competency ~~per~~ **IN EACH** calendar year,
12 during the first 6 calendar years of licensure, and 21 hours ~~per~~
13 **FOR EACH** 3-year time period since the issuance of his or her
14 license. At least 3 hours shall be devoted to those activities
15 designed to develop ~~a~~ **AN INDIVIDUAL** licensee's understanding and
16 ability to apply state building codes and laws relating to the
17 licensed occupation, safety, and changes in construction and
18 business management laws. ~~A~~ **IF AN INDIVIDUAL** licensee ~~who~~ has held
19 a license for more than 6 years ~~or who has not been determined by~~
20 **AND** the department **HAS NOT DETERMINED** in a final order ~~to have~~ **THAT**
21 **HE OR SHE HAS** violated this act or a rule adopted under this act,
22 ~~shall~~ **HE OR SHE MUST** successfully complete at least 3 hours of
23 activities demonstrating continuing competency ~~per~~ **IN EACH** license
24 cycle ~~to include~~ **THAT INCLUDES AT LEAST** 1 hour of codes, 1 hour of
25 safety, and 1 hour of legal issues as described in this subsection.
26 (3) ~~In the case of a licensee who has been determined by~~ **IF**
27 the department **DETERMINES** in a final order ~~to have~~ **THAT AN**

1 **INDIVIDUAL LICENSEE HAS** violated this act or a rule adopted under
2 this act, he or she ~~shall~~**MUST** successfully complete, during the
3 next complete license cycle, ~~up to~~**NOT MORE THAN** 21 hours of
4 activities that demonstrate the development of continuing
5 competency during that next license cycle as determined appropriate
6 by order of the department. ~~at~~**AT** least 3 hours of that
7 continuing competency ~~to~~**MUST** include 1 hour of codes, 1 hour of
8 safety, and 1 hour of legal issues as described in subsection (2).

9 (4) As activities that demonstrate the development of
10 continuing competency, the education courses described in section
11 3, pages 3-6 through 3-58 of the January 2005 edition of the
12 publication "NAHB University of Housing, Blueprint for Success",
13 published by the national association of home builders, and taught
14 by instructors meeting the requirements of section 4, pages 4-5
15 through 4-9 of the January 2005 edition of "NAHB University of
16 Housing, Blueprint for Success", are considered approved, are
17 considered appropriate for fulfilling the prelicensure and
18 continuing competency requirements of subsections (1), (2), and
19 (3), and are incorporated by reference. ~~A~~**AN INDIVIDUAL** licensee
20 may take any courses equivalent to those courses incorporated by
21 reference by this subsection. Updates to the courses described in
22 this subsection or equivalent courses are acceptable unless the
23 department determines that the courses do not provide a means of
24 developing and maintaining continuing competency for those
25 applicants or licensees who successfully fulfill the course
26 requirements. Any construction code update courses approved by the
27 bureau of construction codes, ~~as well as~~**AND ANY** fire safety or

1 workplace safety courses approved or sponsored by the department,
2 are also considered appropriate for fulfilling the continuing
3 competency requirements of this subsection. The department may, by
4 rule, amend, supplement, update, substitute, or determine
5 equivalency regarding any courses or alternate activities for
6 developing continuing competency described in this subsection.

7 (5) The department may waive the requirement of membership in
8 a local, state, or national trade association contained in the
9 instructor standards of section 4, pages 4-5 through 4-9 of the
10 January 2005 edition of the publication "NAHB University of
11 Housing, Blueprint for Success", published by the national
12 association of home builders, and incorporated by reference. By
13 rule, the department may amend, supplement, update, substitute, or
14 determine equivalency regarding the standards in this subsection
15 and shall establish instructor qualifications for courses not
16 incorporated by reference in subsection (4).

17 (6) The subject matter of the prelicensure and continuing
18 competency activities may be offered by a high school, **AN**
19 intermediate school district, **A** community college, **A** university,
20 **THE** bureau of construction codes, **THE** Michigan occupational safety
21 and health administration, **A** trade association, or a proprietary
22 school licensed by the department as meeting the subject matter
23 qualifications described in subsection (4) and the instructional
24 qualifications described in subsection (5).

25 (7) The department shall promulgate rules to provide for the
26 following:

27 (a) Requirements other than those listed in subsection (4) for

1 determining that a course meets the minimum criteria for developing
2 and maintaining continuing competency.

3 (b) Requirements for acceptable courses offered at seminars
4 and conventions by trade associations, research institutes, risk
5 management entities, manufacturers, suppliers, governmental
6 agencies other than those named in subsection (4), consulting
7 agencies, or other entities.

8 (c) Acceptable distance learning.

9 (d) Alternate forms of continuing competency, including
10 comprehensive testing, participation in mentoring programs,
11 research, participation in code hearings conducted by the
12 international code council, and publication of articles in a trade
13 journal or regional magazine as an expert in the field. The
14 alternate forms shall be designed to maintain and improve ~~the~~**AN**
15 **INDIVIDUAL** licensee's ability to perform the occupation with
16 competence and shall prescribe proofs that are necessary to
17 demonstrate that ~~the licensee~~**HE OR SHE** has fulfilled the
18 requirements of continuing competency.

19 (8) ~~Each~~**AN INDIVIDUAL** licensee may select approved courses in
20 his or her subject matter area or specialty. ~~Service~~**AN**
21 **INDIVIDUAL'S SERVICE** as a lecturer or discussion leader in an
22 approved course shall ~~be counted toward the~~**COUNT TOWARD HIS OR HER**
23 continuing competency ~~requirements of~~**OBLIGATIONS UNDER** this
24 section. ~~Alternate~~**AN INDIVIDUAL MAY EARN AND DOCUMENT ANY**
25 **ALTERNATIVE** forms of continuing competency ~~may be earned and~~
26 ~~documented as~~ promulgated in rules by the department.

27 (9) The department may audit a predetermined percentage of

1 licensees who renew in a year for compliance with the requirements
2 of this section. Failure to comply with the audit or the
3 requirements shall result in the investigation of a complaint
4 initiated by the department, and the licensee is subject to the
5 penalties prescribed in this act.

6 ~~—— (10) A licensee as a residential builder or residential
7 alteration and maintenance contractor may apply for inactive status
8 by completing an application, made available by the department, in
9 which he or she declares that he or she is no longer actively
10 engaged in the practice authorized by his or her license and
11 temporarily intends to suspend activity authorized by his or her
12 license. Upon submission of a completed application, the department
13 shall designate the licensee as inactive and note that status on
14 records available to the public. A licensee designated as inactive
15 must have a current copy of the Michigan residential code and is
16 exempt from the continuing competency requirements imposed under
17 this section, but must still pay the per year license fee. An
18 inactive licensee may activate his or her license by submitting an
19 application to the department requesting activation of the license.
20 Upon activation of a license, the licensee must complete at least 1
21 credit hour of continuing competency for that calendar year.~~