

Act No. 5
Public Acts of 1990
Approved by the Governor
February 9, 1990
Filed with the Secretary of State
February 12, 1990

STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1990

Introduced by Reps. Hickner, DeMars, Scott, Leland, Gubow, DeBeaussaert, Ciaramitaro, Berman, Gire, Pitoniak, Randall and Emerson

ENROLLED HOUSE BILL No. 4225

AN ACT to amend section 11 of Act No. 192 of the Public Acts of 1984, entitled "An act to regulate the use, installation, alteration, and servicing of specified heating, cooling, ventilating, and refrigerating equipment and systems; to create a board of mechanical rules; to provide for the licensing of installing contractors and of servicing contractors of heating, cooling, ventilating, and refrigerating equipment and systems; to prescribe fees; to provide for the promulgation of rules; and to prescribe penalties," being section 338.981 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Section 11 of Act No. 192 of the Public Acts of 1984, being section 338.981 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 11. (1) The department may investigate the activities of a licensee related to the licensee's activities as a contractor. The department may hold hearings, administer oaths, and order relevant testimony to be taken and shall report its findings to the board. The board shall proceed under section 16 if the board finds that any of the following grounds exist:

- (a) The practice of fraud or deceit in obtaining a license under this act.
- (b) The practice of fraud or deceit in the performance of work for which a license is required under this act.
- (c) An act of gross negligence.
- (d) The practice of false advertising.
- (e) An act which demonstrates incompetence.
- (f) A violation of this act or rule promulgated under this act.

(2) The board, upon recommendation of the department, shall suspend or revoke the license of any person whose failure to pay a lien claimant results in a payment being made from the homeowner construction lien recovery fund pursuant to the construction lien act, Act No. 497 of the Public Acts of 1980, being sections 570.1101 to 570.1305 of the Michigan Compiled Laws. The license shall not be renewed, nor shall a new license be issued until the person whose license has been suspended or revoked under this subsection has repaid in full to the fund the amount paid out plus the costs of litigation and interest at the rate set by section 6013 of the revised judicature act of 1961, Act No. 236 of the Public Acts of 1961, being section 600.6013 of the Michigan Compiled Laws.

(3) The department shall conduct a review upon notice by the department of public health that the licensee has violated the asbestos abatement contractors licensing act, Act No. 135 of the Public Acts of 1986, being sections 338.3101 to 338.3319 of the Michigan Compiled Laws, or sections 57 to 60f of the Michigan occupational safety and health act, Act No. 154 of the Public Acts of 1974, being sections 408.1057 to 408.1060f of the Michigan Compiled Laws and may suspend or revoke that person's license for a knowing violation of those acts.

(4) A revocation, suspension, or other sanction set forth in subsection (3) or section 16 shall be imposed only after a hearing has been conducted pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(5) The installation, alteration, or servicing of heating, cooling, ventilating, or refrigerating equipment or systems shall not be performed under a license that has been suspended, revoked, or has expired. A license, other than a license issued under this act, shall not be recognized for securing permits to install, alter, or service heating, cooling, ventilating, or refrigerating equipment or systems.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.