

## LICENSE RECIPROCITY FOR BUILDING TRADES

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**House Bill 5055 as introduced**  
**Sponsor: Rep. Bryan Posthumus**  
**Committee: Regulatory Reform**  
**Complete to 11-1-21**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5055 would amend the Skilled Trades Regulation Act, which regulates the building trades (e.g., electricians, plumbers, mechanical contractors, and others). The bill would require certain occupational licenses to be issued to a resident of Michigan who holds an equivalent license issued by another state, if certain conditions are met. The bill also would eliminate a requirement that a member of the armed forces, a veteran, or the dependent of either must have held a license for at least a year to qualify for license reciprocity for certain skilled trades-related licenses.

2021 PA 24 amended the Skilled Trades Regulation Act to require certain occupational licenses to be issued without examination to members of the armed forces, veterans, or their dependents who are licensed or registered in that occupation in another state or country if certain conditions are met. The bill would amend these provisions to eliminate a requirement that the other state's licensure or registration requirements be substantially equivalent to or exceed the requirements of the act and any departmental rules for the license or registration. The bill also would eliminate a requirement that the person have held the other license for at least a year. In addition, the bill would eliminate numerous references to *registration* and to a *certificate of registration*.

#### License reciprocity

The bill also would add a new section to require the Department of Licensing and Regulatory Affairs (LARA) to issue a license for an occupation under the act to an individual who *does not meet* the requirements under 2021 PA 24 (e.g., he or she is not a member of the armed forces, a veteran, or a dependent) but who is a current resident of Michigan who demonstrates to the satisfaction of LARA that he or she meets all of the following at the time of applying for a license:

- He or she holds a valid license in that occupation from an equivalent licensing department, board, or authority, as determined by LARA, in at least one other state in the United States.
- All of the following are met for each license the person holds:
  - The license is in good standing and has been held for at least six months.
  - Minimum education requirements, and if applicable, work experience, were in effect for licensure in the other state and that state verifies that the person met those requirements.
  - If the other state required an examination for licensure, the person passed the examination.
- He or she has not had a license revoked, or voluntarily surrendered a license, in any other state or a foreign country while under investigation for unprofessional conduct.

- No discipline has been imposed by an equivalent licensing entity in another state. If disciplinary action has been taken, LARA would have to determine whether the cause for the action had been corrected and the matter resolved. If not, LARA could not issue or deny a license until the matter was resolved.
- A complaint, allegation, or investigation is not pending before an equivalent licensing entity in another state or a foreign country relating to unprofessional conduct. If any were pending, the application process would have to be suspended and LARA could not issue or deny a license until the complaint, allegation, or investigation was resolved.
- All applicable fees are paid.
- He or she is of good moral character.

The bill would not prevent LARA from issuing temporary licenses under the act.

#### Exemptions

The bill would not apply to either of the following:

- A license issued under an interstate licensing compact applicable to an occupation under the act.
- Any licensing criteria established under an interstate licensing compact applicable to an occupation under the act.

Further, the bill would not make an individual licensed under the bill eligible to be part of an interstate licensing compact applicable to an occupation under the act.

#### Fee

LARA could not charge an individual seeking a license under the bill a fee in an amount that exceeds the amount it charges to an individual seeking the same license under the act.

MCL 339.5223 and proposed MCL 339.5224

#### **FISCAL IMPACT:**

House Bill 5055 would not have a significant fiscal impact on any units of state or local government. One of the requirements under the bill would be for the individual seeking licensure to pay all applicable fees, so the bill should not impact the Department of Licensing and Regulatory Affairs.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.