

**House
Legislative
Analysis
Section**

AMEND LAW FOR RESIDENTIAL CONTRACTORS

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MAY 12 1988

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone: 517/373-6466

House Bill 5563
Sponsor: Rep. Bill Browne
Committee: State Affairs

Mich. State Law Library

Complete to 4-25-88

House Bill 5563 (4-25-88)

A SUMMARY OF HOUSE BILL 5563 AS INTRODUCED 4-21-88

The Occupational Code governs the licensing and regulation of residential builders and residential maintenance and alteration contractors. The bill would amend the act in the following ways:

* A "residential builder" is defined in the act as "a person engaged in the . . . erection, construction, replacement, repair, alteration, or an addition to, subtraction from, improvement, movement of, wrecking of, or demolition of a residential structure or combination residential and commercial structure" for a fee. The bill would include in this definition a person engaged in the construction of a garage for a fee and would delete from this definition a reference to the "movement of, wrecking of, or demolition of" a residential structure. In addition, the bill would delete that reference from the definition of a residential maintenance and alteration contractor. Further, a residential builder is defined to be "a person who manufactures, assembles, constructs, deals in, or distributes a residential or combination residential and commercial structure." The bill would replace the phrase "deals in, or distributes" with the words "or installs."

* The act requires license applicants to pay a number of different fees in the application process. The bill would delete a reference to required fees under the State License Fee Act for residential builders or residential maintenance and alteration contractors. In deleting this reference, an applicant would be required to pay only those fees prescribed in the Construction Lien Act. The act allows the Department of Licensing and Regulation to review license applicants, and the department review board may require an applicant to provide satisfactory proof attesting to "the good moral character and business experience and competence" of an applicant. The bill would change this by deleting the reference to "business experience and competence" to showing proof of "financial stability." The bill would delete a provision which proscribes the department from requiring more than one license fee from a person licensed as a residential maintenance and alteration contractor regardless of the crafts or trades for which such a person is licensed, as well as a provision that requires a claim of an employee of an applicant or licensee for wages to be a preferred claim against a bond or cash deposit. The bill would further delete a provision specifying that a licensee who fails to maintain in full force and effect any bond, cash deposit, or assessment as required under the act shall have his or her license summarily suspended and cannot have the license reinstated until a new bond, cash deposit, or payment of the assessment is furnished.

* The act provides for a complaint procedure -- including specific time limits -- for customers to take action against residential builders and residential maintenance contractors, and lists a number of acts which, if committed by these contractors, result in specific penalties. The bill would amend the act to specify that only certain complaints would have to be filed within the specified time limits. Complaints regarding the following four

specific improprieties omitted or committed by a licensee or applicant would have to be filed no later than 18 months after completion, occupancy, or purchase of a residential or combined residential-commercial structure, whichever comes first:

- abandonment without legal excuse of a contract, construction project, or operation engaged in or undertaken by a licensee;

- a departure from or disregard of plans or specifications in a material respect and prejudicial to another plan, without consent of the owner or an authorized representative and without the consent of the person entitled to have the particular construction project or operation completed in accordance with the plans and specifications;

- a violation of the building laws of this state or of a political subdivision of the state as verified by a building code enforcement officer; and

- poor work or work not meeting the standards of the custom or trade verified by a building code enforcement official.

* The bill would add to the list of prohibited acts of omission or commission by licensees or applicants, resulting in various penalties, the following:

- an action in violation of Public Act 259 of 1931 (an act to protect citizens against fraud in the building construction industry);

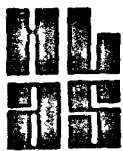
- failure to make available to the department, at its request, books, records and copies of contracts, and any related documents; and

- failure to deliver to the customer a written disclosure notifying the customer of his or her right to complain to the department alleging a violation of the act or a rule promulgated or order issued under the act. This disclosure would have to contain the time limits for filing the four complaints specified earlier.

* The act requires a licensed residential builder or licensed residential maintenance and alteration contractor to notify the department within ten days of a change in the control or direction of the business of the licensee due to any occurrence. The bill would extend the notification deadline for reporting the change in direction or control of a business to 30 days after a change occurred.

Finally, the bill would add those licensed under the Forbes Mechanical Contractors Act to the list of persons licensed under various acts whose licenses shall be suspended or revoked due to failure to pay a lien claimant, resulting in a payment being made from the Homeowner Construction Recovery Fund created under the Construction Lien Act.

MCL 339.2401 et al.



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AUTOPSY SIDS DEATHS

House Bills 5564 and 5565
Sponsor: Rep. Michael J. Bennane
Committee: Public Health

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Complete to 8-11-88

CLD 12 1988

A SUMMARY OF HOUSE BILLS 5564 AND 5565 AS INTRODUCED 4-21-88

The bills would amend the county medical examiners act to require an investigation and autopsy if a child under two years of age is suspected of having died from Sudden Infant Death Syndrome (SIDS). Mich. State Law Library

More specifically, House Bill 5564 (MCL 52.202) would require a county medical examiner who has had specialized training to investigate the cause and manner of death when someone under two years of age died suddenly from unknown causes. The county medical examiner also would be required to investigate the residence of the deceased (or, if the death occurred other than in the child's home, the health histories of the child and of his or her mother, as well as any other relevant prenatal history), to notify the local law enforcement agency (or the state police), and to send a written report of the investigation to the Department of Public Health (DPH). The DPH would promulgate rules establishing the specialized training for the medical examiner, and either the local health department or the county medical examiner's office could conduct the training.

Under current law, if a child under two years of age dies suddenly of unknown causes, the parents or legal guardians can request the county medical examiner to arrange for an autopsy. House Bill 5565 (MCL 52.205a) would require that an autopsy be performed in cases where SIDS is the suspected cause of death and would prohibit the diagnosis of SIDS until an autopsy had been done.

House Bills 5564 & 5565 (8-11-88)