



OCCUPATIONAL CODE (EXCERPT)

Act 299 of 1980

ARTICLE 24

339.2401 Definitions.

Sec. 2401.

As used in this article:

(a) "Residential builder" means any of the following:

(i) A person engaged in the construction of a residential structure that, for a fixed sum, price, fee, percentage, valuable consideration, or other compensation, other than wages for personal labor only, undertakes with another or offers to undertake, or purports to have the capacity to undertake with another, for the erection, construction, replacement, repair, alteration, or addition to, subtraction from, improvement, wrecking of, or demolition of, a residential structure.

(ii) A person that manufactures, assembles, constructs, deals in, or distributes a residential structure that is prefabricated, preassembled, precut, packaged, or shell housing.

(iii) A person that erects a residential structure except for the person's own use and occupancy on the person's property.

(b) "Residential maintenance and alteration contractor" means a person that, for a fixed sum, price, fee, percentage, valuable consideration, or other compensation, other than wages for personal labor only, does any of the following:

(i) Undertakes with another for the repair, alteration, or addition to, subtraction from, improvement of, wrecking of, demolition of a residential structure, or building of a garage, or laying of concrete on residential property.

(ii) Engages in the purchase, substantial rehabilitation or improvement, and resale of a residential structure or property and engages in that activity on the same structure more than twice in 1 calendar year, except in the following instances:

(A) If the work is for the person's own use and occupancy.



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(B) If the rehabilitation or improvement work on the residential property or structure is contracted for, with, or hired entirely to be done and performed for the owner by a person licensed under this article.

(C) If work is performed by a person employed by the owner to perform work for which the person is licensed by the state.

(c) "Residential structure" means 1 or both of the following:

(i) A detached 1- or 2-family dwelling and all related facilities appurtenant to that dwelling, used or intended to be used as an adjunct of residential occupancy.

(ii) A townhouse of not more than 3 stories above the grade plane in height with a separate means of egress and all related facilities appurtenant to that townhouse, used or intended to be used as an adjunct of residential occupancy.

(d) "Salesperson" means an employee or agent, other than a qualifying officer, of a licensed residential builder or residential maintenance and alteration contractor, who for a salary, wage, fee, percentage, commission, or other consideration, sells or attempts to sell, negotiates or attempts to negotiate, solicits for or attempts to solicit for, obtains or attempts to obtain a contract or commitment for, or furnishes or attempts or agrees to furnish, the goods and services of a residential builder or residential maintenance and alteration contractor, except an individual working for a licensed residential builder or residential maintenance and alteration contractor who makes sales that are occasional and incidental to the individual's principal employment.

(e) "Wages" means money paid or to be paid on an hourly or daily basis by an owner, lessor, or occupant of a residential structure as consideration for the performance of personal labor on the structure by an individual who does not perform or promise to perform the labor for any other fixed sum, price, fee, percentage, valuable consideration, or other compensation and who does not furnish or agree to furnish the material or supplies required to be used in the performance of the labor or an act described in subdivision (a) or (b).

History: 1980, Act 299, Imd. Eff. Oct. 21, 1980 ;-- Am. 1991, Act 166, Imd. Eff. Dec. 19, 1991 ;-- Am. 2020, Act 341, Imd. Eff. Dec. 30, 2020

Compiler's Notes: For transfer of powers and duties of certain occupational functions, boards, and commissions from the Department of Licensing and Regulation to the Department of Commerce, see E.R.O. No. 1991-9, compiled at MCL 338.3501 of the Michigan Compiled Laws. Enacting section 1 of Act 341 of 2020 provides: "Enacting section 1. Section 2401 of the



occupational code, 1980 PA 299, MCL 339.2401, as amended by this amendatory act, applies retroactively to January 1, 2019."

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339.2402 Residential builders' and maintenance and alteration contractors' board; creation; qualifications of members.

Sec. 2402.

A residential builders' and maintenance and alteration contractors' board is created. The board shall consist of 9 individuals, as follows:

- (a) Four individuals who are licensed residential builders.
- (b) Two individuals who are licensed maintenance and alteration contractors.
- (c) Three individuals representing the general public, at least 1 of whom is registered under article 10 of the skilled trades regulation act, MCL 339.6001 to 339.6023.

History: 1980, Act 299, Imd. Eff. Oct. 21, 1980 ;-- Am. 2007, Act 157, Eff. June 1, 2008 ;-- Am. 2016, Act 412, Eff. Apr. 4, 2017

Compiler's Notes: For the revision of the membership requirements of the residential builders' and alteration contractors' board, see E.R.O. No. 2024-2, compiled at MCL 16.735.

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339.2403 Engaging in business or acting in capacity of residential builder or residential maintenance and alteration contractor or salesperson without license.

Sec. 2403.

Notwithstanding article 6, a person may engage in the business of or act in the capacity of a residential builder or a residential maintenance and alteration contractor or salesperson in this state without a license under this article, if the person is 1 of the following:

- (a) An authorized representative of the United States government, this state, or a county, township, city, village, or other political subdivision of this state.
- (b) An owner of property, with reference to a structure on the property for the owner's own use and occupancy.
- (c) An owner of rental property, with reference to the maintenance and alteration of that rental property.



(d) An officer of a court who is acting within the scope of that office.

(e) A person other than the salesperson that engages solely in the business of performing work and services under contract with a residential builder or a residential maintenance and alteration contractor that is licensed under this article.

(f) A person that is working on 1 undertaking or project by 1 or more contracts, if the aggregate contract price for the labor, material, and any other items for the undertaking or project is less than \$600.00. The exemption described in this subdivision does not apply if the work of a construction is only a part of a larger or major operation, whether undertaken by the same or a different residential builder or residential maintenance and alteration contractor, or in which a division of the operation is made in contracts of amounts less than \$600.00, to evade this act.

(g) An electrical contractor that is licensed under article 7 of the skilled trades regulation act, MCL 339.5701 to 339.5739. The exemption described in this subdivision applies only to the electrical installation, electrical maintenance, or electrical repair work that is performed by the electrical contractor.

(h) A plumbing contractor that is licensed under article 11 of the skilled trades regulation act, MCL 339.6101 to 339.6133. The exemption described in this subdivision applies only to plumbing installation, plumbing maintenance, or plumbing repair work that is performed by the plumbing contractor.

(i) A mechanical contractor that is licensed under article 8 of the skilled trades regulation act, MCL 339.5801 to 339.5819. The exemption described in this subdivision applies only to mechanical installation, mechanical maintenance, or mechanical repair work that is performed by the mechanical contractor.

History: 1980, Act 299, Imd. Eff. Oct. 21, 1980 ;-- Am. 1982, Act 6, Imd. Eff. Feb. 15, 1982 ;-- Am. 1984, Act 191, Imd. Eff. July 3, 1984 ;-- Am. 2016, Act 412, Eff. Apr. 4, 2017

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339.2404 Evidence of good moral character; proof of identity; examination; issuance of residential maintenance and alteration contractor's license; scope of crafts and trades; place of business; branch office license; duration of license; renewal; documentation of continuing competency requirements.



Sec. 2404.

(1) Except as provided in section 2404c, the department may require an applicant, a licensee, or each partner, trustee, director, officer, member, or shareholder of an applicant or licensee to submit evidence of good moral character. Before the department issues a license, an applicant shall submit a copy of his or her operator's license or state personal identification card to the department. The department may use the license or card only for proof of identity of the applicant.

(2) Except as provided in section 2404c, the department shall require that an applicant for a license under this article pass an examination that establishes that the applicant has a fair knowledge of the obligations of a residential builder or residential maintenance and alteration contractor to the public and the applicant's principal, and the statutes relating to the applicant's licensure.

(3) Except as provided in section 2404c, the department may issue a residential maintenance and alteration contractor's license to an individual who applies for the license and who qualifies for the license by passing the examination. A license authorizes the licensee, according to the applicant's qualifications, crafts, and trades, to engage in the activities of a residential maintenance and alteration contractor. A license includes the following crafts and trades: carpentry; concrete; swimming pool installation; waterproofing a basement; excavation; insulation work; masonry work; roofing; siding and gutters; screen or storm sash installation; tile and marble work; and house wrecking. A license shall specify the particular craft or trade for which the licensee is qualified. This subsection does not prohibit a specialty contractor from taking and executing a contract involving the performance of the craft or trade for which the contractor holds a license and 1 or more other crafts or trades if the performance of the work in the other craft or trade is incidental and supplemental to the performance of work in the craft or trade for which the specialty contractor is licensed.

(4) A residential builder or residential maintenance and alteration contractor shall maintain a place of business in this state. If a residential builder or residential maintenance and alteration contractor maintains more than 1 place of business in this state, the department shall issue a branch office license to the builder or contractor for each place of business maintained by the builder or contractor.

(5) The department shall issue the license of a residential builder and residential maintenance and alteration contractor for a period of 3 years in duration.



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(6) An applicant for renewal of a residential builder or maintenance and alteration contractor license shall state to the department that he or she has a current copy of the Michigan residential code and meets the appropriate requirements regarding continuing competency described in this article or rules promulgated under this article.

(7) A licensee shall maintain documentation, for at least 5 years of activities that meet the continuing competency requirements under this article.

History: 1980, Act 299, Imd. Eff. Oct. 21, 1980 ;-- Am. 1980, Act 496, Eff. Mar. 31, 1981 ;-- Am. 1981, Act 83, Imd. Eff. July 1, 1981 ;-- Am. 1984, Act 193, Imd. Eff. July 3, 1984 ;-- Am. 1988, Act 463, Eff. Sept. 1, 1989 ;-- Am. 2007, Act 157, Eff. June 1, 2008 ;-- Am. 2010, Act 151, Imd. Eff. Aug. 23, 2010 ;-- Am. 2014, Act 176, Imd. Eff. June 17, 2014 ;-- Am. 2018, Act 527, Eff. Mar. 28, 2019

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