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Senate Bill 312 (as introduced 3-24-21)
Sponsor: Senator Marshall Bullock
Committee: Committee of the Whole

Date Completed: 3-25-21

CONTENT

The bill would amend the Occupational Code to do the following:

- Modify the requirements an applicant who was a dependent of a member of the Armed Forces, a dependent of a member of the uniformed services, or a dependent of a veteran would have to meet to receive a temporary license or registration.**
- Require the Department of Licensing and Regulatory Affairs (LARA) to issue a license or certificate of registration for an occupation under the Code without examination to an individual who demonstrated to the satisfaction of LARA that he or she was a member of the Armed Forces or uniformed services, a veteran, or a dependent of a member in the Armed Forces, a member of the uniformed services, or a veteran, and held a valid license or registration in that occupation from another state, among other criteria.**
- Prohibit LARA from issuing a license or registration as described above if it determined that the issuance of a license or registration for an occupation under the Code could result in a violation of a Federal oversight or licensing guideline for that occupation.**

The bill is tie-barred to House Bill 4376, which would amend the State License Fee Act to waive certain fees if an applicant were actively serving, or had served, in the Armed Forces or the uniformed services, or if the applicant were a dependent of a member of the Armed Forces, uniformed services, or a veteran. The bill also is tie-barred to House Bill 4377, which would amend the Skilled Trades Regulation Act to require LARA to issue a license or a certificate of registration for an occupation under the Act without examination to an individual who demonstrated to the satisfaction of LARA the criteria described above. The bill would take effect 90 days after its enactment.

Temporary License or Certificate

Generally, the Occupational Code governs the licensing of certain occupations in the State including accountancy, cosmetology, and residential building, among other things. The Code allows LARA to grant a nonrenewable temporary license or certificate of registration to an applicant for licensure or registration, or a transfer thereof, if the applicant previously has not been denied a license or certificate of registration or had a license or a certificate of registration revoked or suspended.

In addition to a temporary license or certificate of registration described above, the Code requires LARA to grant a temporary license or certificate of registration for an occupation under the Code to an applicant who meets all the following requirements:

- He or she provides proof acceptable to LARA that he or she is married to a member of the Armed Forces who is on active duty.
- He or she provides proof acceptable to LARA that he or she holds a current license or registration in good standing in that occupation, issued by an equivalent licensing department, board, or authority, as determined by LARA, in another state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, another territory or protectorate of the United States, or a foreign country.
- He or she provides proof acceptable to LARA that his or her spouse is assigned to a duty station in Michigan and that he or she is also assigned to a duty station in the State under his or her spouse's permanent change of station orders.

Under the bill, LARA would have to grant a temporary license or certificate of registration to an applicant who met both of the following:

- Provided proof acceptable to LARA that he or she was a dependent of a member of the Armed Forces, a dependent of a member of the uniformed services, or a dependent of a veteran.
- Provided proof acceptable to LARA that he or she held a current license in good standing, or a current registration in good standing, in that occupation, issued by an equivalent licensing department, board, or authority, as determined by LARA, in consultation with the board, in another state of the United States or a foreign country.

The Code defines "Armed Forces" as that term is defined in Section 2 of the Veteran Right to Employment Services Act. Under the bill, "Armed Forces" would mean the United States Army, Air Force, Navy, Marine Corps, Space Force, or Coast Guard or other military force designated by Congress as part of the Armed forces of the United States, including the reserve components.

"Uniformed services" would mean the Commissioned Corps of the United States Public Health Service and the National Oceanic and Atmospheric Administration Commissioned Officer Corps.

"Dependent" would mean a spouse, surviving spouse, child under 26 years of age, or surviving child under 26 years of age. "Veteran" would mean that term as defined in Section 1 of Public Act 190 of 1965: an individual who served in the United States Armed Forces, including the reserve components, and was discharged or released under conditions other than dishonorable, including an individual who died while on active duty in the United States Armed Forces.

License or Certificate

Under the bill, subject to provisions described below, LARA would have to issue a license or a certificate of registration for an occupation under the Code without examination to an individual who demonstrated to LARA's satisfaction that he or she met all the following at the time of application:

- Provided proof that the individual was a member of the Armed Forces or uniformed services, a veteran, or a dependent of a member of the Armed Forces, a member of the uniformed services, or a veteran.
- Had not had a license or registration revoked, and had not surrendered voluntarily a license or registration, in any other state of the United States or a foreign country while under investigation for unprofessional conduct.
- Had not had discipline imposed by an equivalent licensing department, board, or authority in another state of the United States, and if so, LARA would have to determine if the cause

for the action was corrected and the matter resolved and could not issue or deny a license or registration until the matter was resolved.

- Did not have a complaint, allegation, or investigation pending before an equivalent licensing department, board or authority in another state of the United States or a foreign country that related to unprofessional conduct, and if so, LARA would have to suspend the application process and could not issue or deny a license or registration to the applicant until the complaint, allegation, or investigation was resolved.
- Paid all applicable fees.
- Was of good moral character.
- Met the age requirement of that occupation under the Code, if applicable.

In addition, the bill would require an applicant, at the time of application, to hold a valid license or registration in that occupation from an equivalent licensing department, board, or authority, as determined by LARA, in at least one other state of the United States. For each license or registration that he or she held, all the following would have to be met:

- The license or registration was in good standing and he or she had held that license or registration for at least one year.
- There were minimum education requirements and, if applicable, work experience requirements in effect for license or registration in the other state, and the other state verified that he or she met those requirements for licensure or registration in that state.
- If the other state required an examination for licensure or registration, he or she passed the examination.

The bill specifies that if LARA determined that the issuance of a license or a certificate of registration as described above could result in a violation of a Federal oversight or licensing guideline for that occupation, LARA could not issue a license or a certificate of registration. The bill also specifies that the provisions above would not prevent LARA from issuing a temporary license under Section 213, a courtesy license under Section 1806a, or issuing a license under Section 726, Section 1108(2), Section 1211, Section 1806(9), Section 2013, Section 2209, or Section 2623 of the Code.

(Section 213 of the Code allows LARA to grant a temporary license or certificate of registration as described above. Section 1806a allows LARA to issue a courtesy license, a license that is subject to certain restrictions, to engage in the practice of mortuary science to an individual who meets certain requirements. Section 2013 requires LARA to issue a license to a person who holds an appropriate certificate of qualification from another state or national council for the registration of architects, professional engineers, or professional surveyors under certain circumstances.

Sections 1211, 1108(2), 1806(8), 726, 2209, and 2623 require LARA to issue a license under certain circumstances provided in those Sections to individuals licensed in another state to perform cosmetology, barber services, mortuary science services, accountancy, landscape architect services, or services provided by certain real estate appraisers.)

Residential Builder Initial License

Under the Code, an applicant for initial licensure either as a residential builder or as a residential maintenance and alteration contractor must complete successfully the prelicensure course of study requirements prescribed by the Code to obtain a license unless he or she is exempt from those requirements. Subject to certain provisions, an applicant for initial licensure as a residential builder or residential maintenance and alteration contractor is exempt from the requirement above if he or she meets certain conditions with respect to his or her service in the Armed Forces. As used here, the Code defines "Armed Forces" as that

term is defined in Section 2 of the Veteran Right to Employment Services Act. The bill would delete this definition.

MCL 339.103 et al.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bills would have an indeterminate, likely moderate, negative fiscal impact on LARA. An increase in available exemptions to active members of the qualified organizations, veterans, and their dependents would result in decreased fee revenue to the respective bureaus within the Department. Most revenue from these fees is dedicated to administering licensing and regulatory programs. In addition, processing applications would require additional staff time. It is unlikely that the volume of work resulting from the bill would require an additional FTE.

The magnitude of the revenue loss and costs associated with the bills would depend on the number of applications for exemptions received in the affected professions. The Department does not have sufficient data to predict the potential increase in exemptions at this time, as it does not track military activity or other qualifying associations of applicants at this time.

The Department of Military and Veterans Affairs estimates that there are approximately 11,000 Michigan National Guard personnel and approximately 550,000 veterans in Michigan. These incomplete figures indicate that LARA could have to waive a moderately significant amount of fees and exams under the bills; however, there is not enough information to predict how many applicants would qualify for a waiver.

For fiscal year 2018-19, the Department reported the following figures for exemptions because of veteran status:

Bureau	Exemptions	Total Fees Exempted
Construction Codes	295	\$33,975
Corporations, Securities, and Commercial Licensing	6	\$835
Professional Licensing	204	\$20,550
Total	505	\$55,360

The substantially higher number of individuals who could seek similar exemptions under the bill likely would result in an increase in exemptions over time.

Fiscal Analyst: Elizabeth Raczkowski

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.