

Frequently Asked Questions – Residential Builder (RB)

Do I need a license to _____? Please refer to the statute and you would need to make that determination if the work you are doing requires a license. The Bureau of Construction Codes Licensing is responsible for licensing Residential Builders and Maintenance & Alteration Contractors for specific trades. The Department of Licensing and Regulatory Affairs, Bureau of Construction Codes Licensing and its employees cannot provide legal advice or give interpretations of the Statute, Occupational Code or Law. The bureau's position is not to determine if an individual needs a license, but rather to guide our applicants through the licensing process. You may wish to consult an attorney to discuss legal matters pertinent to your individual situation. We can refer you to our statute, Article 24 as cited below:

MCL339.2401(a) states: “**Residential builder**” means a person engaged in the construction of a residential structure or a combination residential and commercial structure who, 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 an addition to, subtraction from, improvement, wrecking of, or demolition of, a residential structure or combination residential and commercial structure; a person who manufactures, assembles, constructs, deals in, or distributes a residential or combination residential and commercial structure which is prefabricated, preassembled, precut, packaged, or shell housing; or a person who erects a residential structure or combination residential and commercial structure except for the person's own use and occupancy on the person's property.

MCL339.2401(b) states in pertinent part: “**Residential maintenance and alteration contractor**” means a person who, for a fixed sum, price, fee, percentage, valuable consideration, or other compensation, other than wages for personal labor only, undertakes with another for the repair, alteration, or an addition to, subtraction from, improvement of, wrecking of, or demolition of a residential structure or combination residential and commercial structure, or building of a garage, or laying of concrete on residential property, or who engages in the purchase, substantial rehabilitation or improvement, and resale of a residential structure.

MCL339.2404(3) states in pertinent part: *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.*

MCL339.2401(c) states: “Residential structure” means a premises used or intended to be used for a residence purpose and related facilities appurtenant to the premises, used or intended to be used, as an adjunct of residential occupancy.

MCL339.2403 states in part: *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 having a license, if the person is 1 of the following:*

*(f) A person working on 1 undertaking or project by 1 or more contracts, the aggregate contract price for which labor, material, and any other item is less than **\$600.00**. This exemption 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.*

This information may also be found on our website: www.michigan.gov/bcc. Attached is a complete copy of the statute Article 24.

2. Is a license required to put up or install signs?

Transfer to Trades – 517-241-9316 see webpage for more info.

https://www.michigan.gov/lara/0,4601,7-154-89334_10575_17394_77372-42954--,00.html

There is a Electrical Sign Contractor license under Electrical and the application is located on www.michigan.gov/bcc

3. I hold a license in another state, how can I transfer my license to MI? (reciprocity)
Michigan does not hold reciprocal agreements with any other State. The individual would need to meet all Michigan requirements for licensure for an individual builder or maintenance & alteration contractor.

4. I want to begin a new residential builder company, what do I need to do, do I need a license, when is it required?

- a. *If you are operating as a Sole proprietor, you may operate with your individual license.*

- b. *If you are forming or have formed a corporation, limited liability company or partnership this is considered a new legal “person” and must obtain a license as a RB or M&A Contractor company.*

If you will be forming a corporation, partnership or limited liability company, an additional license application is required for the business entity. Contact the State of Michigan, Corporations Division at 517-241-6470 to register your company and file the necessary paperwork. The law requires an individual to hold an Active individual builder license or maintenance & alteration contractor license to serve as the Qualifying Officer for the company residential builder license.

5. I currently am licensed as RB and would like to switch/downgrade to an M&A, what steps do I need to take? **I have not heard that too often happening. They would need to complete an application and take the exam??**
6. Out of State – questions regarding Consent to Service –

"MCL 339.2406 requires all non-resident applicants to file a Consent to Service of Process form prior to being licensed." Please complete and return the Consent to Service of Process form to this office with your out of state address.

7. Can I hold a MI RB or M&A individual license if I live in another state? **I always tell them to check with the State they are applying for as to what their licensure requirements are.**
8. Do the 60-hour prelicensure course expire?
 - a. *60-Hour prelicensure course certificates do not expire if taken after June 1, 2008. The 60 -Hour Approved Prelicensure Education course certificates do not expire. I always make sure that they are aware the law passed June 1, 2008 that it is was a requirement, so if any prior courses taken before date are not valid.*
9. What information can we provide regarding Commercial builders and company licensure requirements?

The State of Michigan Bureau of Construction Codes requires the licensing of Residential Builders not Commercial Builders.

<http://legislature.mi.gov/doc.aspx?mcl-Act-299-of-1980> (Specifically Article 24)

[LARA - Residential Builders \(michigan.gov\)](http://michigan.gov/lara)

Certain municipalities may have additional requirements, but I cannot advise you regarding them. You would need to contact the specific municipality.

Relicensure: Can an individual complete a relicense online? or is a paper application required?

Yes, an individual can complete a relicensure application online or they can submit a paper application.

For individuals whose license has been expired for less than 3 years: **They would pay the fee of \$185 and renew their license online or submit an application online or a paper application and indicate their license number on the application.**

For individuals whose license has been expired for more than 3 years:

Relicensure

Licensees who miss the late renewal period and allow their license to lapse may apply for relicensure.

Requirements for a license lapsed from 61 days to 3 years include:

- filing of the appropriate relicensure application and fees
- be of good moral character

Requirements for a license lapsed for more than 3 years include:

- completion of 60 hours of approved prelicensure education courses
- filing of the appropriate relicensure application and fees
- be of good moral character
- pass the current license examination

You may find the applications for relicensure in the **[Forms](#)** section of this website.

Please provide step-by-step requirements for an out-of-state business/contractor that wishes to conduct business in MI, please include information required from CSCL:

They would contact the State of Michigan, Corporations Division at 517-241-6470 and register their company and then they would submit a Residential Builder Company or Maintenance & Alteration Contractor Company licensure application by paper or online with the applicable fees of \$195.