



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 826 (Substitute S-3 as reported by the Committee of the Whole)  
Senate Bill 827 (Substitute S-1 as reported)  
Sponsors: Senator Raymond E. Basham (S.B. 826)  
Senator Burton Leland (S.B. 827)  
Committee: Economic Development, Small Business and Regulatory Reform

**CONTENT**

Senate Bill 826 (S-3) would amend the Occupational Code to do the following:

- Provide that a person who operated as a residential builder or a residential maintenance and alteration contractor without a license would be guilty of a misdemeanor punishable by a fine of at least \$5,000 but not more than \$25,000, and/or imprisonment for up to a year, for a first offense; a misdemeanor punishable by a fine of \$5,000 to \$25,000, and/or imprisonment for up to two years, for a second offense; or a felony punishable by a fine of \$5,000 to \$25,000, and/or up to four years' imprisonment, for a third or subsequent offense.
- Require that restitution be ordered for any violation of the Code.
- Include aiding or abetting another person in the unlicensed practice of an occupation as a violation of the Code subject to administrative sanctions.
- Allow the Department of Labor and Economic Growth (DLEG), the Attorney General, and a county prosecutor to use the Revised Judicature Act's forfeiture provisions for seized items determined to be the proceeds of a crime.
- Allow a prosecuting attorney and the Attorney General to bring an action for a civil violation against a person not licensed as a residential builder or residential maintenance and alteration contractor; and require the court to assess a civil violation judgment, payable to the party bringing the action, of at least \$5,000 but not more than \$25,000, aside from any civil damages or restitution.
- Provide that DLEG would have standing to bring an administrative action or directly to bring an action in court regarding unlicensed practice of an occupation.
- Prohibit an unlicensed person from imposing a lien on real property.

Senate Bill 827 (S-1) would amend the Revised Judicature Act to require a court to notify DLEG's Bureau of Commercial Services of the entry of a judgment for damages against a licensed residential builder for certain violations; and include a violation of the Occupational Code's licensure and registration requirement as a crime for purposes of the seizure of proceeds of a crime.

The bills are tie-barred to each other and to Senate Bills 631 and 632 (which also would amend the Code's provisions regarding licensing violations).

MCL 339.601 et al. (S.B. 826)  
600.4701 et al. (S.B. 827)

Legislative Analyst: J.P. Finet

## **FISCAL IMPACT**

Senate Bill 826 (S-3) would have an indeterminate fiscal impact on State and local government. There are no data to indicate how many people would be convicted of practicing as a residential builder or contractor without a license. To the extent that the bill would increase incarceration time for offenders, local governments would incur the costs of incarceration in local facilities, and misdemeanor probation, which vary by county. The State would incur the cost of felony probation at an average annual cost of \$2,000, as well as the cost of incarceration in a State facility at an average annual cost of \$30,000. Additional penal fine revenue would benefit public libraries. To the extent that the bill would increase restitution orders, local governments would incur increased administrative costs. To the extent that the bill would increase probation time for offenders who were unable to complete restitution payments during their sentence, or increase incarceration time for offenders whose probation was revoked for not making a good faith effort to comply with a restitution order, local governments would incur increased corrections costs.

The bill would result in additional workload for local prosecutors related to the ability to seek civil forfeiture.

Senate Bill 827 (S-1) could result in increased administrative costs to the courts.

Date Completed: 6-7-06

Fiscal Analyst: Bill Bowerman  
Lindsay Hollander  
Maria Tyszkiewicz  
Stephanie Yu

Floor\sb826

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.