

FREQUENTLY ASKED QUESTIONS – General Licensing Issues

Q: When is a license required as a Residential Builder or Maintenance & Alteration Contractor?

A: In general, a person who contracts with a property owner to do residential construction or remodeling on a project whose total value is \$600 or more, including material and labor, is required to be licensed as either a Residential Builder or a Maintenance & Alteration Contractor.

Q: What's the difference between a "Residential Builder" license and a "Residential Maintenance & Alteration Contractor" license?

A: The **Residential Builder** may build a new home from the ground up or may do any kind of repairs. The builder may contract for the whole job, but will have to subcontract for plumbing, electrical, and mechanical (heating, ventilation, air conditioning) work.

The **Residential Maintenance & Alteration (M&A) Contractor** is licensed to perform only specific trades and services and may accept contracts only in the services for which they are licensed (whether or not the building is new construction or remodeling).

Each Residential Builder receives a wall license and a pocket card showing that he or she is properly licensed. For the Residential Maintenance & Alteration Contractor, the pocket card contains only a letter code representing the trade or trades in which that contractor is licensed. The M&A trades and their equivalent letter codes are:

- Carpentry (A)
- Concrete (B)
- Excavation (D)
- Insulation Work (G)
- Masonry (I)
- Painting & Decorating (J)
- Siding (K)
- Roofing (M)
- Screen & Storm Sash (N)
- Gutters (O)
- Tile & Marble (P)
- House Wrecking (R)
- Swimming Pools (S)
- Basement Waterproofing (T)

Each of these trades must be performed by a licensee.

Q: Do I need a license to do?

A: Generally we suggest you look at the definition of a Residential Builder and the list of specialty trades for a Residential Maintenance & Alteration Contractor to see what is definitely required to be licensed. You may wish to review [Article 24](#) of the Occupational Code and read sections 339.2401, 339.2403, and 339.2404.

However, over the years some specific services have been removed from the licensing law or rules. Here is a basic list; call the Builders Unit at (517) 373-8376 for items not shown.

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ACTIVITY	LICENSE REQUIREMENTS
New Construction/Remodeling of homes, apartment buildings, condominiums, townhouses, etc.	Required
Carpentry	Required
Concrete	Required
Excavation	Required
Insulation Work	Required
Masonry	Required
Painting & Decorating	Required
Siding	Required
Roofing	Required
Screen & Storm Sash	Required
Gutters	Required
Tile & Marble	Required
House Wrecking	Required
Swimming Pools	Required
Replacement windows/doors /garage doors	Required
Laying wood floors	Required
Basement Waterproofing	Required
Drywall	Not Required
Fences	Not Required
Awnings	Not Required
Sewer and septic, water lines, sprinklers	Not Required
Pavers without mortar	Not Required
Asphalt paving	Not Required
House moving	Not Required
Carpeting and vinyl floors (not wood)	Not Required
Plaster and Lath	Not Required

Q: Is a license required for commercial building (offices, schools, factories, etc.)?

A: Michigan does not have a law regulating commercial builders, sometimes referred to as "general contractors." Licensing is required for residential work only, including combination residential and commercial structures, such as homes, apartment buildings, condominiums, townhouses, etc. Check with the local municipality for information on specific requirements.

Q: Do I need a license to “flip houses”?

A: MCL 339.2401(b) requires that a person who “engages in purchase, substantial rehabilitation or improvement, and resale of a residential structure, engaging in that activity on the same structure more than twice in 1 calendar year” have a residential builder or M&A contractor license unless the work is for the person’s own use and occupancy, they contract/hire a licensee to perform all the work, or they have a licensed employee who does the work.

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Q: When is a Residential Builder or Residential Maintenance & Alteration Contractor license not required?

A: The Occupational Code lists several exemptions from the licensing law. Some of the more common exemptions are:

An owner of property, with reference to a structure on the property for the owner's own use and occupancy.

An owner of rental property, with reference to the maintenance and alteration of that rental property.

A subcontractor to a licensed builder, that is, a person other than a salesperson who engages solely in the business of performing work and services under contract with a Residential Builder or a Residential Maintenance & Alteration Contractor licensed under this article.

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. A license is required if the construction work is only a part of a larger or major operation (whether undertaken by the same or a different Residential Builder or Residential Maintenance & Alteration Contractor), or in which a division of the operation is made in contracts of amounts less than \$600.00 to evade this act.

For the full text of the exemptions, you may wish to visit the Builders website at www.michigan.gov/builders and review Article 24 of the Occupational Code.

Q: What is required for an unlicensed owner-builder to sell their property?

A: An unlicensed property owner who acts as his/her own general contractor is required to reside in the home upon completion and issuance of the occupancy permit. An owner-builder shall not sell or transfer ownership for at least 365 days after living (full or part-time) in the residential structure. If the owner-builder is unable to reside in the home due to unforeseen circumstances, the home may be sold (this exception can only be used once per year). For more information see the Owner Built Residence Transfer Act, Public Act 6 of 2008.

Q: Is my builder licensed?

A: You may check to see if a builder is licensed by selecting the "Check a License" link at www.michigan.gov/builders. The fastest way to find license information is to have the builder's license number, which is a ten-digit number beginning with 210; however, a search may be done by an individual's name, business name, etc. If the license is under the name of a sole proprietor, then you may perform a search by entering the license number, individual's personal name or assumed name. If the license is under the name of a corporation, limited liability company or partnership, the search must be made by entering the license number or business name. Telephone numbers are not in the database. You may also contact the Builders Unit at 517-373-8376 to verify whether a person or company is licensed.

Q: How can I obtain a list of licensed Residential Builders, Maintenance & Alteration Contractors or salespersons? Is there a cost?

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A: You can obtain a list of licensees by contacting the Department's Information Sales Program at (517) 335-7901. They will discuss with you aspects of your purchase request such as format, price, etc. Or visit the Information Sales webpage at www.michigan.gov/bcsisp

Q: Do you have advice on selecting and working with a home builder/remodeler?

A: The Builders web page at www.michigan.gov/builders has a section titled "Consumer Info" that contains information on selecting and working with a licensed Residential Builder or Residential Maintenance & Alteration Contractor. This information is also found in the pamphlet, "*How to Choose Homebuilder or Remodeler*" in the "[Forms and Publications](#)" section on this website.

Q: How do I complain about my builder?

A: Complaints about licensed builders are handled by the Department's Bureau of Commercial Services Enforcement Division. You may contact the Enforcement Division at (517)241-9202, or visit the Builders website at www.michigan.gov/builders and click on "Enforcement & Complaints" under "Consumer Info" to obtain a complaint form or learn more about the complaint process.

Q: Is my builder required to offer a warranty? What is the warranty period?

A: The licensing law does not require a builder to offer a warranty. If a builder chooses to offer a warranty, homeowners should review the warranty carefully to see what is covered, what the homeowner's responsibilities are, and what the builder will do when notified of problems.

However, the licensing law does provide for a complaint period of 18 months, during which time a homeowner may file a complaint with the Department. Problems with the home must be verified by a building inspector, and the homeowner must have provided the builder an opportunity to make corrections. If a complaint results in a proven violation of the licensing law, the builder may be fined, ordered to make restitution, suspended, revoked, denied future licenses, reprimanded, etc. You may wish to read the licensing law that is available on the Builders website at www.michigan.gov/builders under the section called "Quick Links" for more information on specific violations or consult the Bureau's [Enforcement Division](#) website to review complaint information and obtain a complaint form.

Q: Is a Residential Builder or Residential Maintenance & Alteration Contractor required to carry insurance or be bonded?

A: The licensing law does not require a builder or contractor to have insurance or a bond. Insurance is usually required as a condition of obtaining a building permit from a city, village, or township. A homeowner may wish to require that the builder or contractor show proof of insurance before they sign a contract with the builder.

Q: What do I do about an unlicensed builder?

A: Not being licensed is a misdemeanor, a criminal violation of the law, specifically section 339.601 of the Michigan Compiled Laws. The Department's jurisdiction extends only to our licensees. To complain that someone is unlicensed, call your local police department, sheriff's department or the state police. They will need evidence that the person tried to act as a builder or contractor. They can obtain from the Department a written certification of licensure, by submitting a [Request for License Certification](#) form to the Builders Licensing Unit, The certification can be used as proof that the person or company was not licensed. They will then take the information to the prosecutor's office for review and a possible criminal complaint.

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Q: I used to be licensed as a Residential Builder or Residential Maintenance & Alteration Contractor, but the license has expired. What do I do now?

A: If your license as a Residential Builder or Residential Maintenance & Alteration Contractor expired **less** than three years ago you do not need to repeat the licensing examination. You may submit a “relicensure” application which can be found under “[Form and Publications](#)” on this website.

If it has been **more** than three years since you were licensed as a Residential Builder or Residential Maintenance & Alteration Contractor, you will need to complete 60 hours of approved precensure education courses before submitting a relicensure application to the Builders Unit.