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SFA**BILL ANALYSIS**

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Senate Bill 329 (Substitute S-3 as reported)

Sponsor: Senator Mike Rogers

Committee: Human Resources, Labor and Veterans Affairs

CONTENT

The bill would amend the Forbes Mechanical Contractors Act, which provides for the licensure of heating, cooling, ventilating and refrigerating equipment installation and service contractors to limit the civil liability of certain contractors who performed work without compensation for a charitable organization, and to allow the owner of property on which such work was performed to obtain a construction permit.

Currently, under the Act, a person must obtain a permit in order to perform certain construction or repairs. The bill provides that if the construction or repair work were performed without compensation by a licensee (under the Act) for or on behalf of a charitable organization, the required permit could be obtained by the owner of the property on which the work was performed. The bill would apply only to the reconstruction, renovation, or remodeling of one- or two-family dwellings. "Charitable organization" would mean a nonprofit tax-exempt religious, benevolent, educational, philanthropic, or humane organization.

The bill provides that a person licensed under the Act, who in good faith performed work for a charitable organization under the bill, would not be liable in a civil action brought to recover damages incurred as a result of the work performed. This exemption from liability would not apply if the damages resulted from the licensed person's acting in a willful, wanton, or reckless manner; if the work performed were not done according to the standards that would otherwise be required of the licensee; or, if the licensee had constructive knowledge that the work performed was hazardous or dangerous.

MCL 338.977

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 4-29-97

Fiscal Analyst: M. Tyszkiewicz

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