

**OCCUPATIONAL CODE (EXCERPT)**  
**Act 299 of 1980**

**339.2401 Definitions.**

Sec. 2401.

As used in this article:

(a) "Residential builder" means any of the following:

(i) A person engaged in the construction of a residential structure that, 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 addition to, subtraction from, improvement, wrecking of, or demolition of, a residential structure.

(ii) A person that manufactures, assembles, constructs, deals in, or distributes a residential structure that is prefabricated, preassembled, precut, packaged, or shell housing.

(iii) A person that erects a residential structure except for the person's own use and occupancy on the person's property.

(b) "Residential maintenance and alteration contractor" means a person that, for a fixed sum, price, fee, percentage, valuable consideration, or other compensation, other than wages for personal labor only, does any of the following:

(i) Undertakes with another for the repair, alteration, or addition to, subtraction from, improvement of, wrecking of, or demolition of a residential structure, or building of a garage, or laying of concrete on residential property.

(ii) Engages in the purchase, substantial rehabilitation or improvement, and resale of a residential structure or property and engages in that activity on the same structure more than twice in 1 calendar year, except in the following instances:

(A) If the work is for the person's own use and occupancy.

(B) If the rehabilitation or improvement work on the residential property or structure is contracted for, with, or hired entirely to be done and performed for the owner by a person licensed under this article.

(C) If work is performed by a person employed by the owner to perform work for which the person is licensed by the state.

(c) "Residential structure" means 1 or both of the following:

(i) A detached 1- or 2-family dwelling and all related facilities appurtenant to that dwelling, used or intended to be used as an adjunct of residential occupancy.

(ii) A townhouse of not more than 3 stories above the grade plane in height with a separate means of egress and all related facilities appurtenant to that townhouse, used or intended to be used as an adjunct of residential occupancy.

(d) "Salesperson" means an employee or agent, other than a qualifying officer, of a licensed residential builder or residential maintenance and alteration contractor, who for a salary, wage, fee, percentage, commission, or other consideration, sells or attempts to sell, negotiates or attempts to negotiate, solicits for or attempts to solicit for, obtains or attempts to obtain a contract or commitment for, or furnishes or attempts or agrees to furnish, the goods and services of a residential builder or residential maintenance and alteration contractor, except an individual working for a licensed residential builder or residential maintenance and alteration contractor who makes sales that are occasional and incidental to the individual's principal employment.

(e) "Wages" means money paid or to be paid on an hourly or daily basis by an owner, lessor, or occupant of a residential structure as consideration for the performance of personal labor on the structure by an individual who does not perform or promise to perform the labor for any other fixed sum, price, fee, percentage, valuable consideration, or other compensation and who does not furnish or agree to furnish the material or supplies required to be used in the performance of the labor or an act described in subdivision (a) or (b).

**History:** 1980, Act 299, Imd. Eff. Oct. 21, 1980 ;-- Am. 1991, Act 166, Imd. Eff. Dec. 19, 1991 ;-- Am. 2020, Act 341, Imd. Eff. Dec. 30, 2020

**Compiler's Notes:** For transfer of powers and duties of certain occupational functions, boards, and commissions from the Department of Licensing and Regulation to the Department of Commerce, see E.R.O. No. 1991-9, compiled at MCL 338.3501 of the Michigan Compiled Laws. Enacting section 1 of Act 341 of 2020 provides: "Enacting section 1. Section 2401 of the occupational code, 1980 PA 299, MCL 339.2401, as amended by this amendatory act, applies retroactively to January 1, 2019."

**Popular Name:** Act 299

