



Rules Committee Red Tape Reduction Initiative

Chair Bill G. Schuette

June 12, 2025

EXECUTIVE SUMMARY

Governor Whitmer stated in her seventh State of the State address that Michigan's regulatory burden is too high, and that permitting and licensing rules need reform. This was followed by an agency-wide report from the Department of Licensing and Regulatory Affairs (LARA) recommending changes to the state's licensing and permitting process. The House Rules Committee seeks to take the Governor and LARA at their word that they are finally ready to get something done. Toward that end, the House Rules Committee has published its review of potential changes to cut red tape and make government work better for Michiganders.

The Rules Committee Red Tape Reduction Initiative will pursue reform in the following three areas:

1. Implementing the best of LARA's recommendations to streamline the state's licensing process while cutting out unnecessary barriers. Roughly 75% of the Department's recommendations are good policy and reduce red tape. Those are the recommendations the Rules Committee will pursue. Some recommendations were not included due to differences in policy preference, stakeholder feedback, and recommendations that created additional red tape.
2. Review and adjust Michigan's licensing regime to get the government out of the way of pursuing a licensed profession in Michigan.
3. Implement meaningful reforms of Michigan's regulatory and permitting system to make Michigan a top state to start a business, a family, and a career.

When Michigan's employers are strong, Michigan's workers are strong. Let's get state government out of Michiganders' way, so they can get to work.

INTRODUCTION

Michiganders from Copper Harbor to Monroe have spent years tangled in the state's ever-increasing net of rules and regulations. This red tape has contributed to a hostile environment for businesses and workers from our largest corporations to our smallest family-owned businesses. If Michigan wants to climb out of the bottom of every ranking in the nation, we need to be a state that makes it easy to get to work, and that means cutting red tape.

The Rules Committee has routinely heard that the state's regulatory agencies lack a culture of customer service and pursue rule promulgation without regard for the adverse effects new rules have on businesses. This disregard is apparent throughout the state's regulatory agencies, from the more than 14,000 pages of guidance documents that the department cannot even confirm are correct, to new building codes that are so egregious that the Home Builders Association took the state to court.

Overregulation like this is not harmless. Confusing and laborious permitting smothers small business creation, leaving Michigan ranked 44th in the country in business creation. Burdensome housing codes add thousands to the cost of every new home and discourage new construction. Further, every \$1,000 added to the cost of a new home in Michigan prices out of the market an additional 3,200 potential buyers. Michigan has not built enough houses to replace those lost to age and accidents in two decades. Our state cannot grow without housing to grow into and businesses to keep new residents employed. It is time to get state agencies out of the way.

From permitting and licensing reform, to deep realignments of our regulatory policy, the Republicans on the Rules Committee have identified impactful reforms that will ease burdens on businesses that make up the backbone of Michigan's economy, without endangering Michiganders' health, safety or natural heritage.

STAKEHOLDERS

The Rules Committee has sought input from stakeholders across the business community in committee hearings and work group meetings. Stakeholders' input from mega-corporations, trade associations, and sole-proprietor small businesses produced two clear messages. The first is that state government stands in the way of a better economy. The second is that business owners, especially small businesses, live in fear of state departments. Inconsistent enforcement and constantly changing interpretations make compliance difficult, and many business owners who want to speak out keep their heads down to avoid retaliation.

These proposals seek to move state government out of the way and give businesses the certainty that state departments will act with consistency and without the hostility that so many of them experience today.

IMPLEMENTING THE BEST OF LARA'S RECOMMENDATIONS:

LICENSING STATUTES TO REVIEW

ACCOUNTING

Recommendation: Reduce the required hours of instruction for accountants in alignment with national trends.

Statute Reference: MCL 339.725(1)(e)

Rationale: Michigan is currently at 150 hours whereas the national trend averages 120 hours.

Recommendation: Eliminate Michigan-specific continuing education in professional ethics requirements for certified public accountants.

Statute Reference: MCL 339.7258(1)(d)

Rationale: Currently a 1-hour requirement for professional ethics. This is redundant to what is currently covered nationally.

Recommendation: Exempt sole proprietor accountants from duplicative firm license requirement.

Statute Reference: MCL 339.2010(1)

Rationale: Eliminates redundant license.

Recommendation: Increase self-study options that count toward continuing education credit for certified public accountants.

Statute Reference: MCL 339.729

Rationale: Increases flexibility in accomplishing continuing education requirements and helps maintain a higher number of licensees.

Recommendation: Clarify the continuing education period for certified public accountants.

Statute Reference: MCL 339.729

Rationale: Makes it easier to comply with requirements.

BARBERS/COSMETOLOGY

Recommendation: Create a licensing option allowing mobile barbershops.

Statute Reference: New legislative section

Rationale: Cosmetologists, which have a similar license, may already do this and it should be an option for barbers.

Recommendation: Reduce record retention burdens for cosmetology schools.

Statute Reference: MCL 339.1205a(1)(b)

Rationale: This eliminates a burdensome regulation. LARA currently does not use this information.

Recommendation: Expand the occupational code to allow more flexibility in cosmetology apprenticeships.

Statute Reference: MCL 339.1203a

Rationale: This has no bearing on public health and increases flexibility for expanding the workforce.

BUILDING TRADES

Recommendation: Repeal law requiring two-thirds of principal owners to be licensed at architecture, engineering, and surveying firms.

Statute Reference: MCL 339.2010(1)

Rationale: This is an outdated requirement that no longer serves the public interest.

Recommendation: Expand pathways for licensure for architects to better serve those learning under apprenticeships.

Statute Reference: MCL 339.2004(1)(a)

Rationale: Creates a new pathway for an architect license that does not currently exist which will produce more experienced architects through apprenticeships.

Recommendation: Remove 18-month reporting window for misconduct related to appraisals to better serve homeowners and align with federal law.

Statute Reference: MCL 339.2635(3)(a)(b)

Rationale: This conflicts with federal guidelines.

HEALTH

Recommendation: Remove outdated limited license option for mental health counselors.

Statute Reference: MCL 333.18109

Rationale: This is outdated language that is no longer in use.

Recommendation: Remove professional disclosure statement requirements for mental health counselors.

MCL Reference: MCL 333.18113

Rationale: This is outdated language that is no longer in use.

Recommendation: Remove dated re-licensure language for counselors.

Statute Reference: MCL 333.18114(3)

Rationale: This is outdated language that is no longer in use.

Recommendation: Review and expand flexible supervision and eligibility standards across mental health professions.

Statute Reference: MCL 333.18251 – 333.18267, MCL 333.18101 – 333.18117, MCL 333.16901 – 333.16915, MCL 333.18201 – 333.18237, MCL 333.18501 – 333.18518

Rationale: Allows flexibility in supervision by removing the bureaucratic chokepoint.

Recommendation: Clarify statutory language to allow re-licensure to serve as renewal when a valid public health code license lapses.

Statute Reference: MCL 333.18223

Rationale: Adds clarity and makes compliance easier for licensure.

Recommendation: Expand distance learning opportunities for pharmacists and pharmacy technicians.

Statute Reference: MCL 333.17731

Rationale: Adds additional flexibility.

Recommendation: Eliminate dormant dentistry-related task force from the Public Health Code.

Statute Reference: MCL 333.16624

Rationale: Cuts bureaucratic staff.

Recommendation: Reduce continuing education requirements for physicians and podiatrists.

Statute Reference: MCL 333.17033(1), MCL 333.17533(1), and MCL 333.18033

Rationale: Michigan has one of the highest continuing education requirements with no evidence it improves results. This would align Michigan closer to national trends.

Recommendation: Evaluate regulation of hearing aid dealers.

Statute Reference: MCL 339.1301, MCL 339.1309

Rationale: This would make sure that overregulation of hearing aid access is not increasing costs.

Recommendation: Make the renewal process consistent across mental health professions.

Statute Reference: MCL 333.18251 – 333.18267, MCL 333.18101 – 333.18117, MCL 333.16901 – 333.16915, MCL 333.18201 – 333.18237, MCL 333.18501 – 333.18518

Rationale: Reduces bureaucratic processes that are redundant.

Recommendation: Allow greater opportunity for virtual supervision to earn marriage and family therapy licensing.

Statute Reference: MCL 333.16909

Rationale: Virtual counseling with clients has expanded and therefore supervision for therapy licensing should as well.

Recommendation: Review ways to help foreign trained medical professionals attain licensure.

Statute Reference: New legislative change

Rationale: Creates flexibility for qualified licensed professionals to move to Michigan.

Recommendation: Evaluate deregulation of personnel agencies.

Statute Reference: MCL 339.1001 – 339.1022

Rationale: Review needed to see if current regulations serve the desired purpose.

Recommendation: Provide clarity to the legal definition of veterinary technicians.

Statute Reference: MCL 333.18805

Rationale: Simplifies compliance.

GENERAL PRACTICES

Recommendation: Provide remote access to licensing board meetings to allow greater participation.

Statute Reference: MCL 15.261 et seq.

Rationale: Creates more flexibility, access, and transparency.

Recommendation: Provide a mechanism for voluntary relinquishment of licenses.

Statute Reference: MCL 333.16201, 339.204, 339.5205

Rationale: Reduces administrative burden and reduces costs.

Recommendation: Review the National Architectural Accrediting Board requirements.

Statute Reference: MCL 339.2004(1)(a)

Rationale: Reduces administrative burden.

Recommendation: Allow minor regulatory offenses to be removed from licensees' records.

Statute Reference: New legislative change

Rationale: These offenses have no bearing on public safety or health. This will reduce unnecessary barriers to work.

Recommendation: Create an honorary retiree license to recognize the hard work of dedicated professionals and reduce barriers for them to work as needed.

Statute Reference: New legislative change

Rationale: This would allow for a license to work reduced hours to assist with the gap in professional trades.

ADMINISTRATIVE RULES TO REVIEW

ACCOUNTING

Recommendation: Remove general business coursework requirements to take the certified public accountants' exam.

Rule Reference: R 338.5115

Rationale: Eliminates barriers for taking licensing exams.

BUILDING TRADES

Recommendation: Reduce the number of boiler license classifications to better support small businesses' ability to provide services.

Rule Reference: R 339.5175, R 339.5175

Rationale: Reduces gaps between servicers and licenses which will help small businesses.

Recommendation: Allow licensed boiler repairers and installers to test control and safety devices.

Rule Reference: R 338.5206

Rationale: Expands scope of practice for which the licensees are already qualified, which will reduce maintenance costs.

Recommendation: Remove restrictions on qualifying experience for building inspectors.

Rule Reference: R 339.5270, R 339.5302, R 339.5309, R 339.5400, R 339.5405, R 339.5406, R 339.5408

Rationale: Helps reduce the shortage of building inspectors.

HEALTH

Recommendation: Eliminate jurisprudence examination for occupational therapists and optometrists.

Rule Reference: R 338.1223(c), R 338.323(c)

Rationale: Jurisprudence exams are redundant.

Recommendation: Eliminate jurisprudence examination for physical therapists and podiatrists.

Rule Reference: R 338.7132(d), R 338.8103(c)

Rationale: Jurisprudence exams are redundant.

Recommendation: Expand credential review options for dentistry professions.

Rule Reference: R 338.11202(b)

Rationale: Increases flexibility for dental professionals.

Recommendation: Expand continuing education options for dentistry professions.

Rule Reference: R 338.11704a, R 338.11705

Rationale: Increases flexibility for dental professionals.

Recommendation: Review efficacy of professional pathways for foreign-trained dentists and related occupations.

Rule Reference: R 338.11202(c)(iii)

Rationale: Creates flexibility for qualified licensed dentists to move to Michigan.

Recommendation: Increase credential evaluation options for nurses through NACES.

Rule Reference: R 338.10204

Rationale: Creates flexibility for qualified licensed nurses to move to Michigan.

Recommendation: Increase license cycle length for nurses and speech-language pathologists.

Rule Reference: R 338.7001a, R 338.7002a

Rationale: Reduces regulatory burden.

Recommendation: Approve PACE as a continuing education provider for chiropractors.

Rule Reference: R 338.12041(2)(a)

Rationale: Expands options for continuing education and aligns with what other states allow.

Recommendation: Increase distance learning opportunities for chiropractors to meet continuing education requirements.

Rule Reference: R 338.12036, R 338.12037

Rationale: Adds additional flexibility.

Recommendation: Increase distance learning options for occupational therapists to meet continuing education requirements.

Rule Reference: R 338.1252(2)

Rationale: Adds additional flexibility.

REVIEW OF MICHIGAN'S BUSINESS AND TRADE LICENSING REGIME

Review: All state business and trade licenses and remove any that do not serve a pressing public interest, are outdated or are overly burdensome.

Statute/Rule Reference: Various statutes.

Rationale: There are many state licenses on the books that require no training and serve primarily as fee collection vehicles or are not the most effective way to pursue the public interest the license is supposed to serve.

EXAMPLES OF LICENSES TO REVIEW

Review: Elimination of potato dealer license.

Statute Reference: MCL 290.452 et seq.

Rationale: No training is required but a \$100 fee is required.

Review: Elimination of forester license.

Statute Reference: MCL 324.53501 et seq.

Rationale: There is no public interest in requiring a license for this profession.

Review: Elimination of the court reporter license.

Statute Reference: MCL 600.1492

Rationale: There is no public interest in requiring a license for this profession.

Review: Elimination of aspects of school librarian licensing.

Statute Reference: MCL 380.1531

Rationale: There is no public interest in requiring a license for this profession.

Review: Eliminate aspects of plant grower licensing.

Statute Reference: MCL 286.209

Rationale: There is no public interest in requiring a license for this profession.

Review: Elimination of the butter grader license.

Statute Reference: MCL 288.717

Rationale: There is no public interest in requiring a license for this profession.

Review: Elimination of airport management license.

Statute Reference: MCL 259.86 et seq.

Rationale: There is no public interest in requiring a license for this profession.

Review: Elimination of licensing requirements for roofing.

Statute Reference: MCL 339.2403 et seq.

Rationale: Neighbor states do not require this, and it should be part of a larger review of contracting license.

Review: Elimination of licensing requirements for siding and gutters.

Statute Reference: MCL 339.2403 et seq.

Rationale: Should be part of a larger review of contracting license.

Review: Elimination of licensing requirements for floor sanding.

Statute Reference: MCL 339.2403 et seq.

Rationale: Should be part of a larger review of contracting license.

Review: Remove substance use disorder license requirement for already licensed hospital facilities.

Statute/Rule Reference: New legislative section

Rationale: Removes a duplicative license requirement.

BEST PRACTICE RECOMMENDATIONS

GENERAL PRACTICES

Review: Implementing a five-year sunset for all license fees on a rolling basis.

Statute/Rule Reference: Various statutes.

Rationale: Requires the legislature to review if fees are acting as a barrier to entry.

Review: Allowing most continued education requirements to be fulfilled with online remote learning in certain industries.

Statute/Rule Reference: New legislative change

Rationale: Increased flexibility to align with technology.

Review: Banning all non-statutory implicit bias training requirements.

Statute/Rule Reference: New legislative change

Rationale: Would remove non-statutory DEI requirements.

Review: Implementing licensing reciprocity for licensed individuals who move to Michigan and will be required to pay state income tax, until the expiration of their out of state license at which point they will be allowed to renew it as a Michigan license.

Statute/Rule Reference: New legislative change

Rationale: Michigan suffers from both brain drain and skilled trade drain. Recognizing out of state licenses will make it easier to reverse the flow. This is already done for veterans and by the state of Arizona.

BROAD IMPACT PERMITTING AND REGULATORY REFORMS

Review: Limiting the scope of permit and site plan revisions that can be requested by the department after initial evaluation.

Targeted Impact Area: Construction permitting.

Review: Refunding permitting fees in the case of delayed decisions.

Targeted Impact Area: All paid permits.

Review: Creating one-stop shops for permitting to reduce the number of agencies that businesses need to interact with.

Targeted Impact Area: All permitting areas but especially childcare.

Review: Allowing changes to be made to site plans that are within the parameters of the permit without restarting the permitting process.

Targeted Impact Area: Construction permitting.

Review: Requiring that administrative law judges ground all decisions in enumerated statutory authority and not on the department's interpretation of their own authority.

Targeted Impact Area: All permitting areas.

Review: Statutorily specifying that any citizen or business who believes they have been wrongfully denied a permit or whose permit was unjustifiably delayed has a private right of action to sue the relevant department in civil court and receive damages and legal fees.

Targeted Impact Area: All permitting areas.

Review: Limiting LARA's ability to regulate childcare facilities to exclusively apply to the childcare facility and not to adjoining mixed use facilities.

Targeted Impact Area: Childcare regulation.

Review: Limiting EGLE's ability to regulate wetlands to exclude "wetlands" created by human activity that was not specifically intended to create wetlands.

Targeted Impact Area: Farming and construction.

Review: Requiring that EGLE conform its definition of wetland to the standard upheld in Sackett v. EPA to create clarity and restraint in wetland regulation.

Targeted Impact Area: Farming and construction.

Review: Allowing permit applicants to purchase wetlands credits before the permit process is completed.

Targeted Impact Area: Industrial construction.

Review: Allowing developers to replace or relocate wetlands within the development project.

Targeted Impact Area: Industrial construction.

Review: Simplifying Michigan's Prevailing Wage rules and preventing the weaponization of Prevailing Wage rules against Michigan businesses.

Targeted Impact Area: Construction regulation.

Review: Direct departments to specify that department guidelines do not have the force of law.

Targeted Impact Area: Business regulation.

Review: Requiring that when issuing a written determination regarding a regulatory or permitting matter to a business, citizen, etc., the issuing department shall always cite the applicable statutory basis for the decision.

Targeted Impact Area: All regulatory agencies.

Review: Restore statutory industry input to Joint Committee on Administrative Rules process.

Targeted Impact Area: All regulatory areas.

Review: Protecting regulatory employees who properly issue permits to prevent retaliation from within state government and encourage the issuance of proper permits.

Targeted Impact Area: All permit areas, especially EGLE.

Review: Requiring regulatory departments to designate permitting employees to specialize in specific industries such as utility, industrial, small business, etc. to create institutional knowledge.

Targeted Impact Area: All permitting areas.

Review: Requiring that major source air permitted businesses' emission profile data be calculated over a 24-hour period instead of during operating hours.

Targeted Impact Area: Industrial regulation.

Review: Requiring all regulatory agencies to submit a report to the Legislature with detailed recommendations on ways to reduce the regulatory burden of the department within three months of the start of a new legislative term.

Targeted Impact Area: All licensed and permitted areas.

Review: Codifying the 2024 model International Building Code instead of the 2021 Code to ensure a modern and less cumbersome approach. Or to rescind specific parts of the 2021 Code that are unworkable such as:

- 2×6 framing instead of traditional 2×4 framing.
- R-60 insulation in ceilings, requiring additional ceiling support.
- Insulated interior ductwork, which is already located inside the insulated home structure.
- Inch-thick insulated sheathing on the exterior of the house.
- Solar energy readiness requirements – as a kicker, these were optional in the 2021 code and LARA made them mandatory in their promulgation.

- Arc Fault Circuit Interrupters – required in every room, though they were taken out of current code due to a lack of evidence they actually prevent fires.
- Unclear language on sprinkler requirements.

Target Impact Area: Residential construction.

IMPACT

Michigan is being held back by red tape put in place by our own state government. From housing to the skilled trades, to factory floors, to mom-and-pop shops, state agencies stand in the way of new construction, new businesses, and new jobs. The Rules Committee Red Tape Reduction Initiative will force the state government to step back and let Michiganders go to work.