



Date: February 1st, 2026

Subject: PA 407 Rule 115 (3) Memo

To: LARA/Bureau of Construction Codes

From: Professional Code Services LLC (PCS LLC)

Proposed action: Strike Rule 115 (3) in its entirety

PCS LLC Proposed Language:

~~**(3) As part of the agreement to provide services which require a license under the act a licensee responsible for the agreement to provide services must provide a document that outlines the payment terms including down payment and subsequent payments, type and amount of work to be done, a license number, change orders, and acknowledgement of completion and satisfaction of the work.**~~

Justification: This rule exceeds the department's authority by requiring specific contract language as a condition of compliance. This is a gross intrusion on the internal operation of a private business' business practices, including contract language which should be established by the business owner and their legal counsel. Further...compelling an "acknowledgement of completion and satisfaction of the work," puts the owner/agent in a vulnerable position to claim approval of work that they may not have the expertise to evaluate. The execution and existence of such a document could be used in a court of law to exempt or argue exemption from liability for a service provider, in the event of any future legal proceedings seeking relief, from the service provider for unfulfilled contract obligations or substandard performance. Such a document could be used to argue that cause of action for such recourse was "waived." - *Clonlara Inc. v State Board of Education* limits an agency to only promulgate rules which are actually required per statute. Imposing specific contract requirements on the condition of compliance with these rules exceeds the statutory authority granted to the department by statute, in conflict with the above-mentioned Michigan Supreme Court decision. Additionally, It is our position that the requirement of such a document stands as arbitrary and capricious by failing to consider important factors and/or weigh unintended legal consequences per the APA - MCL 24.306(1) (e).

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