

OCCUPATIONAL LICENSE ISSUANCE

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Senate Bills 1230 and 1231 as passed by the Senate

Sponsor: Sen. Laura M. Toy

Senate Committee: Economic Development, Small Business, and Regulatory Reform

House Committee: Commerce

Complete to 6-29-04

A SUMMARY OF SENATE BILLS 1230 AND 1231 AS REPORTED FROM HOUSE COMMITTEE

Senate Bill 1230 would amend the State License Fee Act to make an exception to the requirement that a fee collected by the Department of Labor and Economic Growth (DLEG), when paid under the act, not be refunded. The bill is tie-barred to Senate Bill 1231.

Senate Bill 1231 would amend the Occupational Code to require DLEG to do the following:

- Issue initial and renewal licenses and registrations within 90 days after an applicant submitted a "completed application" (as defined in the bill).
- Within 30 days after receiving an incomplete application, give the applicant written notice, or make information electronically available, describing the deficiency and requesting additional information.
- Refund the application fee and reduce the applicant's next renewal application, if any, by 15 percent, if the department missed the deadline.
- Submit to the Legislature an annual report regarding license and permit applications and processing times.
- Process a request to issue a license or approval to a school or person providing occupational training, within 90 days after the submission of a completed application.

If an applicant were a real estate broker, the time period for notification would be 15 days and the time period for approval would be 30 days.

The deadlines for notification and approval would not apply to licenses or registrations for the following individuals: an interior designer; a certified public accountant or registered accountant; a professional boxer or other person involved in boxing match; an agency non-owner-manager of a collection agency; a barber, student barber, or barber

instructor; an employment and consulting agent of a personnel agency; a cosmetologist, manicurist, hair curlist, esthetician, or electrologist; a hearing aid salesperson; a mortuary science licensee or embalmer; an individual architect, surveyor, or engineer; a forester; a landscape architect; a community planner; an individual residential builder and alteration and maintenance contractor or salesperson for a contractor; a real estate salesperson or appraiser; or an ocularist.

MCL 338.2205 (S.B. 1230) & MCL 339.207 et al. (S.B. 1231)

FISCAL IMPACT:

The bills would allow for a return of certain occupational regulatory licensing fees and a 15% fee reduction on the next renewal application if the Department fails to issue or deny a license within the specified time period. In FY 2001-02 the Department collected approximately \$8.9 million for licensing occupations. The potential loss of revenue resulting from returned fees and discounted future fees is indeterminate as it would be dependent on the number of times the Department of Labor and Economic Growth violated the deadlines.

It is estimated that there could be additional information technology, computer database costs since there is a new reporting requirement to report on information not currently gathered.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.