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BILL ANALYSIS

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Senate Bills 1222 and 1234 (as enrolled)

Sponsor: Senator Nancy Cassis

Senate Committee: Economic Development, Small Business and Regulatory Reform

House Committee: Commerce

PUBLIC ACTS 260 & 265 of 2004

Date Completed: 2-7-05

CONTENT

Senate Bills 1222 and 1234 amended the Private Detective License Act and the Boiler Act, respectively, to require the Department of Labor and Economic Growth (DLEG) to do the following:

- **Issue an occupational license or permit within 90 days after an applicant files a completed application.**
- **Notify the applicant within 30 days after receiving an incomplete application, describing the deficiency and requesting additional information.**
- **Refund the license or permit fee and reduce the fee for the applicant's next renewal application, if any, by 15% if the Department misses the 90-day deadline.**
- **Report to the Legislature each year regarding the issuance of licenses and permits.**

The bills took effect on July 23, 2004.

(Senate Bill 1222 applies to a license to engage in the business of private detective or investigator, or in the business of furnishing information as to the character of an individual or firm. Senate Bill 1234 applies to a license or permit to install or repair a boiler.)

License/Permit Issuance Deadline

The bills require DLEG to issue an initial or renewal license or permit within 90 days after an applicant files a completed application. The bills specify that receipt of

the application is considered the date the application is received by any agency or department of the State. The bills define "completed application" as an application complete on its face and submitted with any applicable licensing or permit fees as well as any other information, records, approval, security, or similar item required by law or rule from a local unit of government, a Federal agency, or a private entity, but not from another department or agency of this State.

If DLEG considers an application incomplete, the Department must inform the applicant in writing, or make information electronically available, within 30 days after receiving the incomplete application. The notice must describe the deficiency and request the additional information. The 90-day period for issuing a license or permit will be tolled (suspended) upon notification by DLEG of a deficiency until the date the Department receives the requested information.

The bills state that the determination of the completeness of an application does not operate as an approval of the application and does not confer eligibility on an applicant determined otherwise ineligible for issuance of a license or permit.

Missed Deadline; Fee Reduction

Under the bills, if DLEG fails to issue or deny a license or permit within the time required, the Department must return the license or permit fee and reduce the fee for the applicant's next renewal application, if any, by 15%.

The bills specify that the failure to issue or deny a license or permit within the time required does not allow DLEG otherwise to delay the processing of the application, and the application, upon completion, must be placed in sequence with other completed applications received at the same time. The Department may not discriminate against an applicant in the processing of the application based upon the fact that the license or permit fee was refunded or discounted under these provisions.

reduction might increase information technology costs.

Fiscal Analyst: Maria Tyszkiewicz

Report to the Legislature

The bills require the DLEG Director to submit a report by December 1 each year, beginning in 2005, to the standing committees and the Appropriations subcommittees of the Senate and the House of Representatives concerned with occupational issues. The Director must include all of the following information in the report concerning the preceding fiscal year:

- The number of initial and renewal applications DLEG received and completed within the 90-day time period.
- The number of applications denied.
- The number of applicants not issued a license or permit within the required time period and the amount of money returned.

MCL 338.829 et al. (S.B. 1222)
408.754a (S.B. 1234)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

According to the Department, in FY 2002-03 it collected \$66,300 from initial and renewal licenses under the Private Detective License Act, and it licensed approximately 2,200 boiler installers. The bills provide for a refund of the initial fee and then a discount of 15% for the next licensing cycle, if DLEG does not meet the 90-day deadline. Since the Department already operates within this time frame, the fiscal impact should be minimal.

The bills also require a report that will include new or additional information not previously collected. The database adjustment required to accommodate this requirement and the ability to flag those licensees or permittees eligible for the 15%

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.