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Senate Bills 1222, 1224, and 1234 (as introduced 5-13-04)

Sponsor: Senator Alan Sanborn (S.B. 1222)

Senator Jud Gilbert, II (S.B. 1224) Senator Bruce Patterson (S.B. 1234)

Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 5-19-04

CONTENT

The bills would amend various acts to require the Department of Labor and Economic Growth (DLEG) to do the following:

- -- Issue initial and renewal licenses within six months of the date of application.
- -- Refund the application fee and reduce the applicant's next renewal application, if any, by 15%, if the Department missed the deadline.
- -- Submit to the Legislature an annual report regarding license applications.

<u>Senate Bill 1222</u> would amend the Private Detective License Act. <u>Senate Bill 1224</u> would amend the Asbestos Workers Accreditation Act (which governs sponsors of asbestos workers training courses). <u>Senate Bill 1234</u> would amend the Boiler Act, which requires a license to engage in the business of installing or repairing boilers, requires licensees to obtain a permit to install, repair, or alter a boiler, and provides for the licensure of boiler inspectors.

Specifically, beginning on the bills' effective date, DLEG would have to issue an initial or renewal license or permit for the regulated activities within six months after an applicant filed a completed application. Within 10 days after receiving an application the Department considered incomplete, DLEG would have to give the applicant written notice describing the deficiency and requesting additional information. The six-month period would be tolled (suspended) upon notification of a deficiency until DLEG received the requested information.

If DLEG failed to issue or deny a license or permit within the time required, it would have to return the license or permit fee and reduce the fee for the applicant's next renewal application, if any, by 15%. The Department would be prohibited from discriminating against an applicant in the processing of the application based upon the fact that the application fee was refunded or discounted.

By January 31 of each year, beginning in 2005, the DLEG Director would have to submit a report to the standing committees and Appropriations subcommittees of the Senate and House of Representatives concerned with occupational issues. The Director would have to include all of the following information in the report concerning the preceding calendar year:

- -- The number of initial and renewal applications DLEG received and completed within the six-month time period.
- -- The number of applications requiring a request for additional information.

- -- The average time for an applicant to respond to a request for additional information.
- -- The number of applications rejected, categorized by reason for rejection.
- -- The amount of application fees returned to licensees and permittees.
- -- The number of applications not issued within the six-month period.
- -- The average processing time for initial and renewal applications granted after the sixmonth period.

MCL 338.829 et al. (S.B. 1222) 338.3411 & 338.3414 (S.B. 1224) 408.754a (S.B. 1234) Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 1222

According to the Department, in FY 2002-03 it collected \$66,300 from initial and renewal licenses under the Private Detective License Act. A 15% reduction of all renewals would be \$4,000. If no application were processed in the allotted time frame, these amounts represent the maximum amount of reduced revenue.

The bill also would require a report that would include new or additional information not currently collected. The database adjustment required to accommodate this requirement could increase Information Technology costs.

Senate Bill 1224

According to the Department, the amount of revenue generated from the licensing of asbestos worker trainers was \$28,600 in 2003. If none of these licenses were issued in the time frame allotted, then the 15% penalty in the following year would equate to a \$3,990 reduction in revenue. If no application were processed in the allotted time frame, these amounts represent the maximum amount of reduced revenue.

For the accreditation and reaccreditation of the individuals, the total amount of revenue generated in 2003 was \$266,500. If none of the licenses were issued in the time frame allotted, then the 15% penalty in the following year would equate to a \$20,700 reduction in revenue. If no application were processed in the allotted time frame, these amounts represent the maximum amount of reduced revenue.

The bill also would require a report that would include new or additional information not currently collected. The database adjustment required to accommodate this requirement could increase Information Technology costs.

Senate Bill 1234

According to the Department, in FY 2002-03 it licensed approximately 2,200 boiler installers and 150 inspectors. If all of these licensees were to seek renewal, the loss of revenue from the 15% penalty would be approximately \$25,000. If no application were processed in the allotted time frame, these amounts represent the maximum amount of reduced revenue.

The bill also would require a report that would include new or additional information not currently collected. The database adjustment required to accommodate this requirement could increase Information Technology costs.

Fiscal Analyst: Maria Tyszkiewicz

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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.