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BILL ANALYSIS

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Senate Bill 1230 (as reported without amendment)
Senate Bill 1231 (Substitute S-1 as reported)
Sponsor: Senator Laura M. Toy
Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

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 (S-1) 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%, 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 nonowner-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)
339.207 et al. (S.B. 1231)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

According to the Department, the total amount of fees collected in FY 2001-02 for licensing occupations was \$8.9 million. In FY 2002-03, the Department renewed 182,000 licenses and processed 26,000 applications. The amount of revenue that would be lost as a result of refunded and discounted fees is indeterminate and would depend on the particular occupations and the number of times DLEG missed the deadline.

Senate Bill 1231 (S-1) also would require a report that would include new or additional information not currently collected. The database adjustment required to accommodate this requirement and the ability to flag those licensees eligible for the 15% reduction could increase Information Technology costs.

Date Completed: 6-15-04

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.