



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

House Bill 5888 (Substitute S-1 as reported)  
Sponsor: Representative Philip J. LaJoy  
House Committee: Government Operations  
Senate Committee: Economic Development, Small Business and Regulatory Reform

### **CONTENT**

The bill would amend the Motor Vehicle Sales Finance Act to do the following:

- Require the Commissioner of the Office of Financial and Insurance Services (OFIS) to approve or reject an application for a new or renewal license under the Act within 90 days after complete application was received by OFIS or by another agency or department of State government on behalf of OFIS, whichever was earlier.
- Require the Commissioner to notify the applicant in writing or electronically within 30 days after receiving an incomplete application.
- Require a refund of the license fee if a license were not denied or issued within the 90-day period, and require a discount of 15% of the license fee on the applicant's next renewal application, if any.
- Require the Commissioner to submit an annual report to the appropriate Senate and House committees regarding compliance with the 90-day time limit.
- Require the appointment of a statutory agent upon whom process, notice, or demand could be served if the applicant did not have a resident agent and did not maintain an office in the State.
- Require that a complete license application include the statutory agent, the license fees required, and the bond, if applicable, in addition to the information currently required.

The Act requires a person to have a license in order to engage in the business of a sales finance company or an installment seller of motor vehicles under installment sales contracts.

MCL 492.105 et al.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

According to the Department of Labor and Economic Growth, the amount of revenue generated from the licensing of motor vehicle sales finance companies was \$21,700 in 2003. The amount by which this revenue would be reduced would depend on the number of licensees not processed in the given time frame. 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.

Date Completed: 7-1-04

Fiscal Analyst: Maria Tyszkiewicz