

Legislative Analysis



REPEAL REGISTRATION OF FORESTERS

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bills 481 & 484

Sponsor: Sen. Mark C. Jansen

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Complete to 5-13-14

A SUMMARY OF SENATE BILL 481 & 484 AS PASSED BY THE SENATE 5-13-14

Senate Bill 481 and Senate Bill 484 would amend the Occupational Code and State License Fee Act, respectively, to repeal the article dealing with registered foresters and registration fees for foresters. The House has previously passed House bills that contain similar provisions.

Senate Bill 481 would repeal Article 21 of the Occupational Code, which provides for the registration of foresters. The bill also would eliminate related administrative rules (in the Michigan Administrative Code).

Senate Bill 484 would repeal Section 29 of the State License Fee Act, which establishes fees for registered foresters.

SB 481 and SB 484 are tie-barred to House Bill 4379, which eliminates references to registered foresters in Part 511 (Commercial Forests) of the Natural Resources and Environmental Protection Act, and to House Bill 4380, which eliminates references to registered foresters in the Qualified Forest Program found in the General Property Tax Act.

FISCAL IMPACT:

SBs 481 and 484 would have a nominal negative fiscal impact on the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) within the Department of Licensing and Regulatory Affairs (LARA) to the extent that fee revenue generated by foresters are more than sufficient to cover expenditures for the forester registration program.

As of FY 2013, there were 206 individuals registered by the CSCLB as foresters. Statutory fees collected from registered foresters generated a total of \$17,530 in revenue (fees include \$50 for application and \$80 for registration) over the most recent biennial renewal cycle. Over the most recent renewal cycle, the CSCLB spent \$11,337 in *total* expenditures to administer the registration program.

Forester Registration							
Fiscal Year	Revenue	Expenditures					Net Rev-TotExp
		Licensing	Enforcement	Adjudication	Info Tech	TOTAL	
2012	\$16,500	\$3,991	\$0	\$0	\$1,077	\$5,068	\$11,432
2013	\$1,030	\$4,102	\$1,076	\$0	\$1,091	\$6,269	(\$5,239)
Total	\$17,530	\$8,093	\$1,076	\$0	\$2,168	\$11,337	\$6,193
Average	\$8,765	\$4,047	\$538	\$0	\$1,084	\$5,669	\$3,097
Avg per Lic	\$159	\$74	\$10	\$0	\$20	\$103	\$56

As evidences by the table above, fee revenue collected from foresters exceed total expenditures (by \$6,193 over the most recent renewal cycle). By eliminating the forester registration program, SBs 481 and 484 would be expected to eliminate future expenditures for the program, engendering an annual revenue loss equivalent to the difference between expenditures and fee revenue.

It is important to note that an indeterminate proportion of the expenditures exhibited in the above table consist of departmental administrative, property management, rent, and informational technology expenses, which are relatively fixed and thus would not entirely be eliminated through the deregulation of the associated occupational licensing program, but rather reallocated amongst other occupational licensing programs within the CSCLB. However, if the Legislature eliminates multiple occupation regulatory programs under the CSCLB which do not generate adequate fee revenues and/or those programs with few licensees, overhead costs would be expected to decrease by an indeterminate amount once a sufficient number are eliminated thereby reducing total expenditures.

Legislative Analyst: Josh Roesner
Fiscal Analyst: Paul Holland

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