



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 480 (as introduced 9-11-13)  
Sponsor: Senator Mark C. Jansen  
Committee: Regulatory Reform

Date Completed: 10-10-13

### **CONTENT**

**The bill would repeal Public Act 40 of 1963, which regulates solicitors representing certain private schools, and would rescind administrative rules related to those solicitors. The bill also would amend the Proprietary Schools Act to delete a reference to solicitors for proprietary schools.**

Public Act 40 of 1963 requires a solicitor's permit for a solicitor representing a school domiciled in Michigan, or schools domiciled out-of-State that the Superintendent of Public Instruction has authorized to solicit students in Michigan. A solicitor who represents more than one school must obtain a permit for each school he or she represents. Each permit application requires a surety bond of \$5,000, and an annual fee of \$125 for a solicitor representing a school domiciled in Michigan or \$225 for a solicitor representing a school domiciled outside of the State. The fee amounts may be adjusted by the State Board of Education. Fee revenue must be deposited in the State Treasury and credited to the Department of Education to be used solely for administrative expenses of Public Act 40 and the Proprietary Schools Act. Public Act 40 applies to private trade schools, business schools, correspondence schools, and institutes licensed under the Proprietary Schools Act or incorporated under Public Act 327 of 1931 (which provides for the organization, regulation, and classification of corporations). The bill would repeal Public Act 40 of 1963.

The bill would rescind an administrative rule that authorizes private trade schools, business schools, correspondence schools, and proprietary schools to solicit students by solicitors to whom permits have been granted (R 340.471). It also would rescind a rule regarding the issuance of, and qualifications for, solicitor's permits (R 340.472).

Under the Proprietary Schools Act, the Department of Licensing and Regulatory Affairs must exercise jurisdiction and control over proprietary schools and solicitors for proprietary schools, consistent with that Act and Public Act 40 of 1963. The bill would delete the references to solicitors for proprietary schools and Public Act 40.

MCL 395.102a et al.

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) and no fiscal impact on local units of government. Under the bill, proprietary school solicitors would no longer be required to seek a permit to practice. Currently these individuals pay \$125 per year to solicit for schools located inside of Michigan and \$225 per year for schools located outside of Michigan. To the extent that the revenue

generated by these fees is less than the cost incurred by LARA for issuing permits and regulating the profession, LARA would stand to save money under the bill. The opposite is also true. At this time, the number of permits issued and the cost of regulating the profession are not available, so the fiscal impact of the bill is indeterminate.

Fiscal Analyst: Josh Sefton

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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.