



**Senate Fiscal Agency**  
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House Bill 4376 (as reported without amendment)  
Sponsor: Representative Ed McBroom  
House Committee: Regulatory Reform  
Senate Committee: Regulatory Reform

### **CONTENT**

The bill would repeal Public Act 40 of 1963, which regulates solicitors representing certain private schools. 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 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.

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 a minimal fiscal impact on the Department of Licensing and Regulatory Affairs and would have no fiscal impact on local units. The Department would see a reduction in the resources that are used for processing solicitor licenses as well as a reduction in the revenue that comes from the annual solicitor licensing fees. The overall reduction in revenue would be minimal, with 485 solicitors currently being licensed in the State of Michigan. At this time, it is not known if the reduction in revenue would be greater or less than the reduction in costs for processing solicitor licenses.

Date Completed: 5-8-14

Fiscal Analyst: Cory Savino