### **Legislative Analysis**



## EXTENSION OF SUNSETS ON FINGERPRINTING AND BACKGROUND CHECK FEES

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House Bill 4443 Sponsor: Rep. Miller Analysis available at http://www.legislature.mi.gov

**Committee: Appropriations** 

Complete to April 14, 2015

#### **SUMMARY:**

The bill would amend the Fingerprinting Residents of State Act of 1935 to maintain the FY 2014-15 fee amounts for taking and processing fingerprinting and processing name-based criminal record checks by extending past fee increases which would otherwise expire (a.k.a. "sunset") on September 30, 2015 for an additional four years, to September 30, 2019. The fingerprint fee was initially increased from \$15 to \$30 in 2002 and the name-based fee was initially implemented in 2007, while the sunsets on both fees were last extended in 2012. The State Budget Office (SBO) assumed the elimination or extension of these fee sunsets in the creation of the FY 2015-16 Executive Budget Recommendation as did the House Appropriations Subcommittee in the drafting of the FY 2015-16 appropriation act for the Department of State Police (MSP).

See the attached table for detailed information concerning the fees affected by the bill.

Additionally, the bill would eliminate a requirement that the MSP annually submit a report to the Legislature stating whether the fingerprinting fee is sufficient to support actual costs. The most recent report was submitted on 09/30/2014 and stated that the actual costs of fingerprinting was \$29.64 and thus the fee was sufficient.

#### **FISCAL IMPACT:**

The bill would maintain current revenue levels collected by the MSP, to the extent that the MSP would continue to collect the revenue generated by the fee increases initially enacted in 2002 and 2004. Revenue generated by these fees is deposited into the Criminal Justice Information Center (CJIC) Service Fees Fund and expended for taking and processing fingerprints, maintaining the Internet Criminal History Access Tool (ICHAT) through which name-based criminal records checks are processed, and supporting the administration of the CJIC. The MSP estimates that the total annualized revenue maintained by the elimination or extension of fee sunsets under the bill would be approximately \$13.6 million. This revenue is not an increase over FY 2014-15. Rather, the bill would maintain the FY 2014-15 level of revenue through FY 2018-19. The SBO and House Appropriation Subcommittee assumed the collection of this revenue in the drafting of the FY 2015-16 Executive Recommendation and the FY 2015-16 appropriation act for the MSP, respectively.

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<sup>■</sup> This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

# Extension of Sunsets on Fingerprinting and Background Check Fees Deposited into the Criminal Justice Information Center (CJIC) Service Fees Fund

| Fee   | Est. Number of<br>Instances Fee is<br>Levied<br>(Annualized) | Most Recent Year<br>Fee was Adjusted<br>by Legislature | Current Law                            |                                  |          |  |  |  |  | Subcommittee Recommendation            |  |  |  |          |
|---|--|--|--|----------------------------------|----------|--|--|--|--|--|--|--|--|----------|
|   |  |  | FY 14-15 Fee<br>Amount<br>(Annualized) | FY 14-15 Revenue<br>(Annualized) | Sunset   | FY 15-16 Fee<br>Amount<br>(Annualized) | Est. FY 15-16<br>Revenue<br>(Annualized) | Change in<br>Revenue<br>(cf. FY 14-15) | Percent Change in<br>Revenue<br>(cf. FY 14-15) | FY 15-16<br>Fee Amount<br>(Annualized) | Est. FY 15-16<br>Revenue<br>(Annualized) | Change in<br>Revenue<br>(cf. FY 14-15) | Percent Change in<br>Revenue<br>(cf. FY 14-15) | Sunset   |
| Taking and processing fingerprints and completing criminal record check | 214,493  | 2002 PA 463  | \$30.00                                | \$6,434,800                      | 09/30/15 | \$0.00                                 | \$0                                      | (\$6,434,800)                          | -100.0%  | \$30.00                                | \$6,434,800                              | \$0                                    | 0.0%   | 09/30/19 |
| Processing and completing a name-based criminal record check via ICHAT  | 716,898  | 2007 PA 76   | \$10.00                                | \$7,168,975                      | 09/30/15 | \$0.00                                 | \$0                                      | (\$7,168,975)                          | -100.0%  | \$10.00                                | \$7,168,975                              | \$0                                    | 0.0%   | 09/30/19 |
|   |  |  |  | \$13,603,775                     |          |  | \$0                                      | (\$13,603,775)                         | -100.0%  |  | \$13,603,775                             | \$0                                    | 0.0%   |          |

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