



Senate Fiscal Agency
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House Bill 4398 (Substitute H-1 as passed by the House)

Sponsor: Representative Robert Kosowski

House Committee: Appropriations

Senate Committee: Appropriations

Date Completed: 5-5-15

CONTENT

The bill would amend the Uniform Securities Act to delay the sunset of license or registration fees paid by those seeking licensure or registration in various types of regulated occupations. These fees were last increased in 2008, and, after September 30, 2015, current law rolls back the amount of the 2008 increases. The bill would delay those sunsets until September 30, 2019.

The bill would take effect October 1, 2015.

MCL 451.2410

FISCAL IMPACT

The bill would have a positive fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) and no fiscal impact on local units of government. The bill would prevent LARA from losing approximately \$5.9 million in fee revenue each year. Revenue from the fees affected by the bill is credited to the Securities Fees Fund, and is used by the Corporations, Securities, and Commercial Licensing Bureau within LARA to offset the costs related to licensing, regulation, and enforcement of securities brokers, agents, and investment advisors. It should be noted that unlike many restricted funds within LARA and other State departments, the unspent balance of the Securities Fees Fund lapses to the State General Fund at the end of the fiscal year.

The fiscal year (FY) 2015-16 LARA budget as reported by the Senate Appropriations Committee assumes LARA will be able to collect these fees at their current levels. Table 1 provides additional detail on the fees that would be extended by the bill.

Table 1

Fees Extended by House Bill 4398 (H-1)			
Fee Type	Fee Amount (Current)	Fee Amount (Sunset)	Revenue Loss Prevented Under Bill
Broker-Dealer Application or Renewal	\$300	\$250	\$89,950
Agent Application or Renewal	65	30	5,239,850
Investment Advisor Application or Renewal	200	150	101,750
Investment Advisor Rep. App. or Renewal	65	30	409,430
Fed. Covered Invest. Advisor Notice Fee	200	150	75,800
	TOTAL		\$5,916,780

Fiscal Analyst: Josh Sefton

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