



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5001 (Substitute H-2 as reported without amendment)
House Bill 5002 (as reported without amendment)
Sponsor: Representative Daire Rendon
House Committee: Natural Resources
Senate Committee: Natural Resources

CONTENT

House Bill 5001 (H-2) would add Part 535 (Registered Foresters) to the Natural Resources and Environmental Protection Act to do the following:

- Provide for the registration of foresters by the Department of Natural Resources (DNR).
- Create the Board of Foresters within the DNR to evaluate the registered forester program and maintain a list of registered foresters.
- Establish forester registration application procedures.
- Establish minimum requirements to be a registered forester.
- Establish a \$200 registration fee per license period (which would be biennial), and require the fees to be deposited in the Forest Development Fund.
- Specify general professional activities and requirements for registered foresters.
- Establish a procedure for complaints about registered foresters.

The bill also would amend the Act to allow money in the Forest Development Fund to be spent for the administration and enforcement of Part 535.

In addition, the bill would repeal Part 21 of the Occupational Code, which provides for the registration of foresters of by the Department of Licensing and Regulatory Affairs. The bill also would repeal a section of the State License Fee Act that requires a \$50 application fee for registration as a forester as well as a per-year registration fee of \$40 until September 30, 2019, and \$25 after that date.

House Bill 5002 would amend the General Property Tax Act to refer to a registered forester under Part 535 of NREPA, rather than Part 21 of the Occupational Code, in the definition of "registered forester".

MCL 50507 et al. (H.B. 5001)
211.7jj[1] (H.B. 5002)

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bills would have a small, but potentially positive fiscal impact on the Department of Natural Resources, a small negative fiscal impact on the Department of Licensing and Regulatory Affairs (LARA), and no fiscal impact on local units of government. Data from LARA indicate that in fiscal year 2015-16, \$18,670 in registration fee revenue from registered foresters was collected by LARA during the most recent registration renewal cycle. During the same period, the cost to maintain that registry was estimated to be about \$11,837. Since that report was issued, the cost has increased due to labor cost inflation, but it is likely that

the registration of foresters remains a revenue-positive endeavor for LARA. The removal of forester registration for LARA, therefore, would result in a net loss of a few thousand dollars to the Licensing and Regulation Fund each renewal cycle. That revenue loss would not significantly affect LARA's operations as the Fund receives about \$9.0 million to \$18.0 million annually, depending on which professions have large numbers of renewals in a given year.

The bills would effectively move forester registration to the DNR, and increase the registry fee from \$40 per year (\$80 per biennial renewal cycle) to \$100 per year (\$200 per biennial renewal cycle). This would increase the amount of revenue the DNR would receive from registration fees relative to LARA, and, assuming that the DNR's cost to register foresters would be similar to LARA's, the fees would provide a level of revenue that would be more than sufficient to operate the program. However, the registration criteria in House Bill 5001 (H-2) appear to be more stringent and potentially more work for the Department than those in current law, so at least some portion of that additional revenue would be used to cover those additional costs.

Date Completed: 4-3-18

Fiscal Analyst: Josh Sefton