



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 5894 (Substitute H-1 as passed by the House)
Sponsor: Representative John P. Stakoe
House Committee: Government Operations
Senate Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 6-30-04

CONTENT

The bill would amend the Forbes Mechanical Contractors Act to do the following:

- Require the Department of Labor and Economic Growth (DLEG) to issue an initial or renewal contractors license not later than 90 days after an applicant had filed a "completed application".**
- Require DLEG to notify the applicant within 30 days after receiving an incomplete application.**
- Require a refund of the license fee if the license were not denied or issued within the 90-day period, and require a discount on the applicant's next renewal application.**
- Require the Commissioner to submit an annual report to the appropriate Senate and House committees regarding compliance with the 90-day time limit.**

Beginning on the bill's effective date, DLEG would have to issue an initial or renewal license within 90 days after the applicant filed a completed application. The bill states that receipt of the application would be considered the date it was received by any agency or department of this State.

If DLEG considered an application incomplete, the Department would have to notify the applicant in writing, or make information electronically available, within 30 days after receiving the incomplete application, describing the deficiency and requesting the additional information. The 90-day period would be tolled upon notification by DLEG of a deficiency until the date the Department received the requested information. The determination of completeness of an application would not operate as an approval of the application for the license and would not confer eligibility on an applicant determined otherwise ineligible for issuance of a license.

Should DLEG fail to issue or deny a license within the 90-day period, the Department would have to return the license fee and reduce the license fee for the applicant's next renewal application, if any, by 15%. The failure to issue a license within the 90-day period would not allow DLEG otherwise to delay the processing of the application, and that application, upon completion, would have to be placed in sequence with other completed applications received at that same time. The Department would not be permitted to discriminate against an applicant in the processing of the application based upon the fact the license fee was refunded or discounted.

Beginning October 1, 2005, the DLEG Director would have to submit a report by December 1 of each year to the standing committees and Appropriations subcommittees of the Senate and House of Representatives concerned with occupational issues. The Director would have to include all of the following information in the report concerning the preceding fiscal year:

- The number of initial and renewal applications DLEG received and completed within the 90-day time period.
- The number of applications denied.
- The number of applicants not issued a license within the 90-day time period and the amount of money returned to licensees.

The bill would define "completed application" as an application complete on its face and submitted with any applicable licensing fees as well as any other information, records, approval, security, or similar item required by law or rule from a local unit of government, a Federal agency, or a private entity, but not from another department or agency of the State.

MCL 338.976 & 338.980

Legislative Analyst: J.P. Finet

FISCAL IMPACT

According to the Department, in FY 2002-03, it collected \$74,680 in new and renewal licensee fee revenue for mechanical contractors. The amount by which this revenue would be reduced would depend on the number of licenses not processed in the given time frame. The bill also would require a report that would include new or additional information not currently collected. The database adjustment required to accommodate this requirement could increase information technology costs.

Fiscal Analyst: Maria Tyszkiewicz

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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.