



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4557 (Substitute S-1 as reported)
House Bill 4558 (Substitute H-1 as reported without amendment)
House Bill 4559 (Substitute H-1 as reported without amendment)
House Bill 4560 (Substitute H-1 as reported without amendment)
House Bill 4561 (as reported without amendment)
Sponsor: Representative Pauline Wendzel (H.B. 4557)
Representative Annette Glenn (H.B. 4558)
Representative Andrew Fink (H.B. 4559)
Representative Beth Griffin (H.B. 4560)
Representative John R. Roth (H.B. 4561)
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

House Bill 4557 (S-1) would amend the Michigan Liquor Control Code to waive annual liquor license renewal fees for watercraft, hotel, tavern, brewpub, and other licenses for the 2022 renewal.

House Bills 4558 (H-1), 4559 (H-1), and 4560 (H-1) would amend the Public Health Code, the State License Fee Act, and the Skilled Trades Regulation Act, respectively, to require the Department of Licensing and Regulatory Affairs to offer a credit for or prorate the fee that otherwise would be required under each respective act for an initial license or registration or a renewal of a license or registration for the portion of the effective period of the license or registration that the licensee or registrant was temporarily unable to engage in the practice of his or her health profession as a result of a state of emergency or disaster declared under the Emergency Management Act or an emergency order issued under Section 2253 of the Public Health Code.

House Bill 4561 would amend the Food Law to allow for certain fees to be subject to a refund if a licensee met certain conditions during the preceding licensing year.

House Bills 4559 (H-1) and 4560 (H-1) would apply retroactively beginning January 1, 2020.

MCL 436.1525 (H.B. 4557)
Proposed MCL 333.16307a (H.B. 4558)
Proposed MCL 338.2204a (H.B. 4559)
Proposed MCL 339.5417a (H.B. 4560)
MCL 289.2125 et al. (H.B. 4561)

Legislative Analyst: Christian Schmidt

FISCAL IMPACT

House Bill 4557 (S-1) would have a significant negative fiscal impact on State and local units of government.

The waiver of renewal fees for the 2022 renewal period would result a revenue loss of approximately \$9.0 million based on fiscal year 2019-20 data. Distribution of this revenue varies by license type. If the revenue were collected, approximately \$3.9 million would be distributed to local units of government and about \$3.0 million would be retained by the Michigan Liquor Control Commission for licensing and enforcement activities. Approximately \$1.25 million would fund alcoholism treatment programs, about \$680,000 in Sunday sales permits (AM) would be directed to the General Fund, and about \$12,000 would be directed to the Michigan Craft Beverage Council.

House Bill 4558 (H-1) would have a significant negative fiscal impact on State government and no fiscal impact on local units of government. Based on currently available data on license renewal fees, the waiver of fees for Public Health Code licenses under the bill would result in a loss of approximately \$8.9 million in fees. The loss would affect a several restricted funds related to the regulation and licensing of the affected professions.

House Bill 4559 (H-1) would have a significant negative fiscal impact on State government and no fiscal impact on local units of government. Based on currently available data on license renewal fees, the waiver of fees for licenses under the bill would result in a loss of approximately \$17.7 million in fees. The loss would affect the Licensing and Regulation Fund.

House Bill 4560 (H-1) would have a significant negative fiscal impact on State government and no fiscal impact on local units of government. Based on currently available data on license renewal fees, the waiver of fees for licenses under the bill would result in a loss of approximately \$1.5 million in fees. The loss would affect a variety of restricted funds related to the regulation and licensing of the affected professions.

House Bill 4561 would reduce fee revenue for credit to MDARD's State restricted Dairy and Food Safety Fund, in an amount that cannot be determined at this time. The amount of lost revenue would depend on the number of refund applications under the bill and the fee totals that met the bill's refund requirements. Licensing fees generate approximately \$5.0 million per year in revenue for the Fund and is appropriated to support MDARD Food Safety and Quality Assurance programs. Thus, a loss in revenue would have a varying degree of impact on MDARD's ability to fully sustain those programs.

Date Completed: 10-6-21

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