

NURSE LICENSURE COMPACT

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House Bill 4246 as introduced
Sponsor: Rep. Phil Green
Committee: Health Policy
Complete to 4-22-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4246 would amend the Public Health Code to enter Michigan into the Nurse Licensure Compact (NLC). The compact allows nurses to practice in states that are parties to the compact without having to obtain a license in each individual state.¹ Under the bill, a nurse who holds a multistate license under the NLC could practice nursing in Michigan. The bill also would allow the disclosure of information related to participation in health professional recovery programs, reporting suspected misconduct, or other violations of the code when it is required to be disclosed for purposes of the NLC. The bill would take effect 90 days after its enactment. As a compact is like a contract between the states that enact it, the bill includes the full text of the NLC, a brief description of which follows.

Article 1 – Findings and purpose

This article contains a finding that expanded mobility of nurses and the growing prevalence of technology in the delivery of health care (e.g., telemedicine) are complicated by a system that requires duplicate licensure for nurses practicing in multiple states. The NLC's stated purpose includes providing guidelines for multistate nurse licensure to enhance the portability of a nursing license and ensure the safety of patients without requiring compliance with each individual state's nurse licensure laws.

Article 2 – Definitions

This article defines 15 terms related to the implementation of the NLC. Notably, the article defines *multistate license* as a license to practice as a registered nurse (RN) or licensed practical/vocational nurse (LPN/VN) issued by a *home state's* licensing board that authorizes the nurse to practice in all *party states* (those that have entered into the compact) under a *multistate licensure privilege*, which is the legal authorization under a multistate license that allows the practice of nursing in a *remote state*.

Article 3 – General provisions and jurisdiction

Multistate licenses issued by a party state are recognized as valid in each party state. This article also outlines eligibility requirements for an RN or LPN/VN to receive a multistate license under the NLC, including rules adopted by the Interstate Commission of Nurse Licensure Compact Administrators (described below).

A state that takes action against a nurse's multistate licensure privilege must notify the administrator of the coordinated licensure information system, which is the integrated process for collecting, storing, and sharing information on nurse licensure and enforcement activities related to nurse licensure laws. (It is administered by a nonprofit organization composed of and

¹ <https://www.nursecompact.com/>

controlled by licensing boards, as described below.) The practice of nursing in a party state under a multistate licensure privilege subjects a nurse to the jurisdiction of the licensing board, courts, and laws, including practice laws, of the party state where the patient is located at the time the service is provided. Individuals who do not reside in a party state can apply for a single-state license, which is a license issued by a party state that authorizes practice only in the issuing state and does not include multistate licensure privilege.

Article 4 – Applications for licensure

This article describes the application process for a multistate license. A nurse can obtain a multistate license only from their home state. If a nurse moves from one party state to another, the license issued by the previous home state is deactivated and the nurse must apply for licensure in the new home state. If a nurse moves from a party state to a nonparty state, the multistate license converts to a single-state license valid only in the former home state.

Article 5 – Additional licensing board authority

This article describes the authority that licensing boards in party states have in regard to taking adverse action against a nurse's multistate licensing privilege and other disciplinary actions. Licensing boards can take adverse action against a nurse's multistate licensure privilege to practice in that party state. However, only a home state can take action against a nurse's license issued by the home state. A home state must give priority to reported conduct received from a remote state as if the conduct had occurred in the home state, including applying home state laws to determine appropriate action. If adverse action is taken by a home state against a nurse's multistate license, the nurse's multistate license privilege is deactivated until all encumbrances are removed. The NLC does not override a party state's decision to use participation in an alternative program in lieu of adverse action. The nurse's multistate licensure privilege is deactivated for the duration of the alternative program.

Article 6 – Coordinated licensure information system

The coordinated licensure information system includes information on the licensure and disciplinary history of each nurse, to help coordinate nurse licensure and enforcement efforts. The commission, in consultation with the system administrator, formulates procedures to identify, collect, and exchange information under the NLC. This article also covers what information licensing boards must report to the coordinated licensure information system. States can designate what information cannot be shared with nonparty states or disclosed to other entities or individuals without permission.

Article 7 – Interstate Commission of Nurse Licensure Compact Administrators

This article describes the Interstate Commission of Nurse Licensure Compact Administrators, which serves the party states. Each party state has one NLC administrator, who is the head of the state licensing board or their designee. Any actions related to removing, suspending, or vacating an administrator follow the laws of the concerned party state. This article also details administrator powers, meetings, compensation, contracts, and the creation of bylaws.

Judicial proceedings by or against the commission must be brought solely in a competent jurisdiction where the commission's principal office is located. The commission can waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. This article also describes the types of litigation or other judicial actions that can occur.

The commission must pay the reasonable expenses of its establishment, organization, and ongoing activities. The commission can levy and collect an annual assessment from each party state to cover operational costs, activities, and staff in its annual budget. The aggregate annual assessment amount is allocated based on a formula determined by the commission.

Article 8 – Rulemaking

The commission can promulgate rules that have the force and effect of law in party states. The commission must file a notice of proposed rulemaking at least 60 days before the meeting where the rule will be considered for a vote and allow public comment on the proposed rule before it can be adopted. However, the commission can adopt an emergency rule without prior notice as long as the regular rulemaking process is followed within 90 days after the emergency rule goes into effect.

Article 9 – Oversight, dispute resolution, and enforcement

Each party state must enforce the NLC and take all action necessary and appropriate to effectuate its purpose and intent. The commission is entitled to receive service of process in any proceeding that may affect it and has standing to intervene in such a proceeding. Failure to provide service of process in such a proceeding renders a judgment or order void as to the commission, the NLC, or promulgated rules.

If the commission determines that a party state has defaulted in its obligation or responsibilities under the NLC, the commission must provide written notice to the defaulting state and other states of the nature of the default and the proposed means of correcting it, or another action to be taken by the commission, and provide remedial training and specific technical assistance relating to the default. If the defaulting state does not rectify the default, the state's membership in the NLC, including all privileges and benefits, can be terminated by a majority vote of the administrators. Termination must be imposed only after all other means of securing compliance are exhausted. Notice of termination or suspension must be given to the defaulting state's governor, the executive officer of its licensing board, and each party state. The defaulting state can appeal the commission's action by petitioning the U.S. district court for the District of Columbia or for the federal district where the commission has its principal offices.

Upon request, the commission must attempt to resolve disputes related to the NLC among party states and between party and nonparty states. If the commission is unable to resolve a dispute among party states, the party states can bring the dispute to an arbitration panel made up of individuals appointed by the compact administrator in each affected state and an individual mutually agreed on by the compact administrators of the party states involved in the dispute. The commission can initiate legal action in federal district court to enforce compliance with the NLC, its rules, and its bylaws. The commission also may pursue any other remedies afforded under federal or state law.

Article 10 – Effective date, withdrawal, and amendment

This article states that the NLC becomes effective on the date that it is enacted by at least 26 states (which happened by July 2017).² Nothing in the NLC invalidates or prevents any other nurse licensure agreement or other cooperative arrangements between a party state and a nonparty state that are made in accordance with the NLC. A state can withdraw from the NLC

² As of April 2026, the NLC has been enacted by 41 states, as well as by Guam and the District of Columbia, which are considered states under the compact. https://www.nursecompact.com/files/NLC_Map.pdf

by repealing its enabling statute. The withdrawal does not take effect until six months after the repeal. Party states can amend the NLC, effective only when the amendment is enacted into the laws of all party states.

Article 11 – Construction and severability

This article declares that the NLC should be liberally construed to effectuate its purposes. The article also provides that the provisions of the NLC are severable, and if any part of it is held invalid, the applicability of the rest of it is not affected.

MCL 333.16170a et seq. and proposed MCL 333.16190 et seq.

BACKGROUND:

House Bill 4246 is substantively identical to House Bill 4042 of the 2019-20 legislative session, which was passed by the legislature and vetoed in December 2020.

In her veto message, Governor Whitmer said that passing the bill and joining a compact “requiring Michigan to cede its sovereign interest in regulating health professions to an outside body” would amount to “[f]orfeiting our prerogative as a state to set the standard of care required of nurses... practicing in our state” in contravention of section 51 of Article IV of the state constitution, which requires the legislature to “pass suitable laws for the protection and promotion of the public health.”³

A bill that would have entered Michigan into the Psychology Interjurisdictional Compact was vetoed for the same reasons at the same time. However, two years later, enabling legislation for that compact was passed and signed into law.⁴

In 2019, Michigan became a member state of the Interstate Medical Licensure Compact, a health licensure portability compact for physicians. However, the provisions implementing for the state’s membership were repealed on March 28, 2025.⁵ According to the compact website, Michigan has begun its withdrawal from membership, a process that takes 12 months.⁶ Although the compact is no longer effective in Michigan, doctors licensed in other states or in Canada can receive a licensure by endorsement to practice in Michigan under the state’s reciprocity process outlined in the rules for doctors of medicine and of osteopathic medicine.⁷

Other recently proposed interstate health licensure portability compacts include the Physician Assistant Licensure Compact,⁸ the Occupational Therapy Licensure Compact,⁹ and the Physical Therapy Licensure Compact.¹⁰

³ https://content.govdelivery.com/attachments/MIEOG/2020/12/30/file_attachments/1636345/SB%20758%20and%20HB%204042%20Veto%20Letter.pdf

⁴ <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-333-16190>

⁵ See <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4032> and <https://www.house.mi.gov/Document/?DocumentId=42808&DocumentType=CommitteeTestimony>

⁶ <https://imlcc.com/>

⁷ Respectively, R 338.2427 and R 338.125 of the Michigan Administrative Code.

⁸ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4309>

⁹ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4103>

¹⁰ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4101>

FISCAL IMPACT:

House Bill 4246 could have a significant fiscal impact on the Department of Licensing and Regulatory Affairs (LARA), although a precise estimate of the magnitude of the impact is currently unavailable. Under this bill, LARA would incur costs for investigating complaints against licensees and for the general administration and implementation of the compact's requirements. Such costs would include any incurred expenses for integrating Michigan's current licensing system with the compact commission's data system, which LARA estimates would require \$100,000. The Interstate Commission of Nurse Licensure Compact Administrators could also levy an annual assessment on Michigan to cover the costs of the commission's activities and operations. The state would also face liabilities if it defaulted on the compact. The magnitude of the costs is presently unknown, as the costs would be dependent on several factors, including the volume of compact licensees that practice within Michigan.

The bill would allow LARA to recover costs related to the investigations and disposition of adverse action cases. LARA has indicated that additional legislation would be required to allow the department to collect fees from compact privilege holders and to sanction compact privilege holders. It is unclear how revenues under the bill would compare to the costs that LARA and the state would incur.

Furthermore, LARA indicated that traditional licensure revenues in the state would likely decline, as out-of-state licensees would be able to practice via the compact, instead of securing licensure through the state.

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■ 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.