

Legislative Analysis



EXTENSION OF SUNSETS ON FEES RELATED TO CONSTRUCTION OCCUPATIONS

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House Bills 4363 (H-1) and 4364 (H-1)
Sponsor: Rep. Santana
Committee: Appropriations

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

House Bills 4382 (H-1) and 4383 (H-1)
Sponsor: Rep. Afendoulis
Committee: Appropriations

Complete to March 24, 2015

SUMMARY:

These bills would amend various public acts pertaining to the licensure of occupations within the construction industry (i.e., the building, electrical, mechanical, and plumbing trades) to maintain the FY 2014-15 fee amounts by extending past fee increases which would otherwise expire (a.k.a. "sunset") on September 30, 2015 for an additional four years, to September 30, 2019. The fee increases were initially enacted in 2008 and the sunsets were last extended in 2012. The State Budget Office (SBO) assumed the elimination or extension of these fee sunsets in the creation of the FY 2015-16 Executive Budget Recommendation as did the House Appropriations Subcommittee in the drafting of the annual appropriation act for the Department of Licensing and Regulatory Affairs (LARA).

FISCAL IMPACT:

These bills would maintain current revenue levels collected by the Bureau of Construction Codes (BCC) within LARA to the extent that the BCC would continue to collect the revenue generated by the fee increases initially enacted in 2008. Revenue generated by these fees is deposited into the Construction Code Fund and expended for BCC operational and LARA overhead expenses of regulating various persons and products within the construction industry. LARA estimates that the total annualized revenue maintained by the elimination or extension of fee sunsets under these bills would be **\$1.4 million**. This revenue is not an increase over FY 2014-15, rather the bills would maintain the FY 2014-15 level of revenue through FY 2018-19. The SBO and House Appropriation Subcommittee assumed the collection of this revenue in the drafting of the FY 2015-16 Executive Recommendation and the annual appropriation act for LARA, respectively.

Fiscal Analyst: Paul B.A. Holland

■ 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.

**Extension of Sunsets on Regulatory Fees Related to Occupations within the Construction Industry
Deposited into the Construction Code Fund**

House Bill	Fee	Est. Number of Instances Fee is Levied (Annualized)	Most Recent Year Fee was Adjusted by Legislature	Current Law							Subcommittee Recommendation				
				FY 14-15 Fee Amount (Annualized)	FY 14-15 Revenue (Annualized)	Sunset	FY 15-16 Fee Amount (Annualized)	Est. FY 15-16 Revenue (Annualized)	Change in Revenue (cf. FY 14-15)	Percent Change in Revenue (cf. FY 14-15)	FY 15-16 Fee Amount (Annualized)	Est. FY 15-16 Revenue (Annualized)	Change in Revenue (cf. FY 14-15)	Percent Change in Revenue (cf. FY 14-15)	Sunset
HB 4383	Building Official, Inspector, or Plan Reviewer Registration Fee (Initial or Renewal)	605	2008 PA 373	\$25.00	\$15,133	09/30/15	\$10.00	\$6,053	(\$9,080)	-60.0%	\$25.00	\$15,133	\$0	0.0%	09/30/19
HB 4382	Electrical Contractor, Master Electrician, Electrical Journeyman, Fire Alarm Contractor, Fire Alarm Specialty Technician, Sign Specialty Contractor, or Sign Specialist Examination Fee	1,135	2008 PA 371	\$100.00	\$113,500	09/30/15	\$25.00	\$28,375	(\$85,125)	-75.0%	\$100.00	\$113,500	\$0	0.0%	09/30/19
	Electrical Contractor or Fire Alarm Contractor Licensure Fee (Initial or Renewal)	6,202	2008 PA 371	\$100.00	\$620,200	09/30/15	\$66.67	\$413,467	(\$206,733)	-33.3%	\$100.00	\$620,200	\$0	0.0%	09/30/19
	Sign Specialty Contractor Licensure Fee (Initial or Renewal)	152	2008 PA 371	\$66.67	\$10,133	09/30/15	\$40.00	\$6,080	(\$4,053)	-40.0%	\$66.67	\$10,133	\$0	0.0%	09/30/19
	Master Electrician or Fire Alarm Specialty Technician Licensure Fee (Initial or Renewal)	10,649	2008 PA 371	\$50.00	\$532,450	09/30/15	\$25.00	\$266,225	(\$266,225)	-50.0%	\$50.00	\$532,450	\$0	0.0%	09/30/19
	Electrical Journeyman or Sign Specialist Licensure Fee (Initial or Renewal)	14,197	2008 PA 371	\$40.00	\$567,880	09/30/15	\$20.00	\$283,940	(\$283,940)	-50.0%	\$40.00	\$567,880	\$0	0.0%	09/30/19
	Apprentice Electrician or Fire Alarm Specialty Apprentice Technician Registration (Initial)	4,116	2008 PA 371	\$15.00	\$61,740	09/30/15	\$5.00					\$15.00			09/30/19
							\$20,580	(\$41,160)	-66.7%		\$61,740	\$0	0.0%		

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	Apprentice Electrician or Fire Alarm Specialty Apprentice Technician Registration (Renewal)	?	2008 PA 371	\$15.00	\$0	09/30/15	\$10.00					\$15.00			09/30/19	
HB 4363	Mechanical Contractor Examination Fee	890	2008 PA 372	\$100.00	\$89,000	09/30/15	\$25.00	\$22,250	(\$66,750)	-75.0%	\$100.00	\$89,000	\$0	0.0%	09/30/19	
	Mechanical Contractor Licensure Fee (Initial or Renewal)	3,091	2008 PA 372	\$100.00	\$309,067	09/30/15	\$75.00	\$231,800	(\$77,267)	-25.0%	\$100.00	\$309,067	\$0	0.0%	09/30/19	
HB 4364	Plumbing Contractor, Master Plumber, or Journey Plumber Examination Fee	782	2008 PA 370	\$100.00	\$78,200	09/30/15	\$50.00	\$39,100	(\$39,100)	-50.0%	\$100.00	\$78,200	\$0	0.0%	09/30/19	
	Plumbing Contractor or Master Plumber Licensure Fee (Initial or Renewal)	7,103	2008 PA 370	\$100.00		09/30/15	\$66.67				\$100.00			09/30/19		
					\$710,300			\$473,533	(\$236,767)	-33.3%		\$710,300	\$0	0.0%		
	Plumbing Contractor or Master Plumber Reinstatement Fee	?	2008 PA 370	\$100.00		09/30/15	\$85.00				\$100.00			09/30/19		
	Journey Plumber Licensure Fee (Initial or Renewal)	4,027	2008 PA 370	\$40.00		09/30/15	\$20.00				\$40.00			09/30/19		
						\$161,080			\$80,540	(\$80,540)	-50.0%		\$161,080	\$0	0.0%	
	Journey Plumber Reinstatement Fee	?	2008 PA 370	\$50.00		09/30/15	\$25.00				\$50.00			09/30/19		
	Apprentice Plumber Registration Fee (Initial or Renewal)	1,837	2008 PA 370	\$15.00	\$27,555	09/30/15	\$5.00		\$9,185	(\$18,370)	-66.7%	\$15.00	\$27,555	\$0	0.0%	09/30/19
Apprentice Plumber Reinstatement Fee	?	2008 PA 370	\$20.00	\$0	09/30/15	\$10.00					\$20.00			09/30/19		
Lost or Destroyed Licence or Registration Replacement Fee	0	2008 PA 370	\$30.00	\$0	09/30/15	\$20.00	\$0	\$0		--	\$30.00	\$0	\$0	--	09/30/19	
TOTALS				\$3,296,238			\$1,881,128		(\$1,415,110)	-42.9%	\$3,296,238		\$0	0.0%		