



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4030 (Substitute H-2 as passed by the House)
House Bill 4498 (Substitute H-2 as passed by the House)
Sponsor: Representative Michele Hoyenga (H.B. 4030)
Representative Brad Paquette (H.B. 4498)
House Committee: Military, Veterans and Homeland Security
Senate Committee: Government Operations (discharged)
Regulatory Reform

Date Completed: 5-17-22

CONTENT

House Bill 4030 (H-2) would amend Public Act 372 of 1927, which governs the selling, purchasing, possessing, and carrying of certain firearms, to do the following:

- Reduce the application and licensing fee for an individual applying for a concealed pistol license (CPL) from \$100 to not more than \$45.
- Modify the allocation of the application and license fees collected from an applicant.
- Modify the purposes for which the Department of State Police (MSP) may use money received under the Act.

House Bill 4498 (H-2) would amend Public Act 372 of 1927 to modify the application cost for a renewal license for a CPL from \$115 to not more than \$45 and specify how the county and MSP would handle the fees.

The bills are tie-barred.

House Bill 4030 (H-2)

Public Act 372 of 1927 requires an individual who wishes to obtain a CPL to apply to the county clerk in the county in which he or she resides. An applicant also must pay a nonrefundable application and licensing fee of \$100 to the county to obtain a CPL. Under the bill, the fee would not more than \$45.

Generally, the county treasurer must deposit \$26 of each application and licensing fee in the concealed pistol licensing fund of that county, and must forward the balance to the State Treasurer for deposit in the General Fund to the credit of the MSP. Under the bill, the county treasurer would have to forward \$15 from each application and licensing fee to the State Treasurer. The State Treasurer would deposit the fee into the General Fund to the credit of the MSP. The county treasurer, then, would have to deposit the balance of each application and licensing fee in the concealed pistol licensing fund of that county.

Currently, the MSP may use money received under the Act to process fingerprints and to reimburse the Federal Bureau of Investigation (FBI) for the costs associated with processing

fingerprints submitted under the Act. The balance must be credited to the MSP; the bill would eliminate this provision.

Under the bill, instead, the MSP could use the money it received only to process fingerprints and reimburse the FBI as currently specified, and to reimburse the MSP for costs related to the requirements imposed on the MSP for processing applications and Sections 5, 5a, 5d, 5e, 5l, 6, and 8. (These sections generally pertain to the provision of concealed pistol application kits to county clerks, verification of eligibility for a CPL, appeals of denial for a CPL, a computerized database of CPL applicants, a CPL renewal system, background checks through the Federal National Instant Criminal Background Check System (i.e., NICS), and entry of pertinent information into the Law Enforcement Information Network (i.e., LEIN), respectively).

House Bill 4498 (H-2)

A CPL, including a renew license, is valid until the applicant's date of birth that falls not less than four years or more than five years after the license is issued or renewed. An applicant is eligible for a renewal CPL if his or her license is not expired or expired within a one-year period before the date of renewal application. Each applicant who submits an application for a renewal CPL to a county clerk must pay an application and licensing fee of \$115. The bill would reduce the fee for applying to renew a CPL from \$115 to not more than \$45.

Currently, the county treasurer must deposit \$36 of each fee collected from a renewal application in the county's concealed pistol licensing fund and must forward the balance to the State Treasurer. The State Treasurer must deposit the forwarded amount in the General Fund to the credit of the MSP.

Under the bill, instead, the county treasurer would have to forward \$15 to the State Treasurer. The State Treasurer would have to deposit \$15 from each fee in the General Fund to the credit of the MSP. The county treasurer would have to deposit the balance of each fee collected in the county's concealed pistol licensing fund.

MCL 28.425b (H.B. 4030)
MCL 28.425l (H.B. 4498)

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

House Bill 4030 (H-2) would result in a potential initial CPL application fee revenue gain of approximately \$265,100 for counties (\$1.7 million to \$1.9 million) and a loss of approximately \$3.9 million for MSP (\$4.9 million to \$1.0 million). Under current law, the current application fee for an initial CPL license is \$100, with \$26 retained by a county and \$74 going to the MSP. The bill would limit the application fee to \$45; up to \$30 would be retained by the county and \$15 would go to MSP. The proposed change would have a relatively minor impact on counties, which report that their application processing costs vary between \$6 and \$58 per applicant, with 19 counties reporting per applicant costs of \$30 or more.

The bill's proposed reduction, from \$74 to \$15, of initial CPL application fee revenue to the MSP would have a significant fiscal impact on the Department. The approximately \$4.9 million in annual restricted revenue the MSP currently receives provides for the processing of more than 66,000 annual applications, by personnel within the CPL unit, the maintenance of the CPL database, the costs of development and distribution of all CPL forms and applications, the costs for State-local background checks (\$30 State; \$13.25 Federal), an online retrieval system, and a mail-in retrieval system. This revenue would be replaced by revenue of approximately \$1.0 million in restricted revenue. Since these requirements are mostly

through statute, the cost of these tasks would have to be fully replaced by General Fund money to maintain current operating levels, and could result, if not fully replaced by General Fund money, in a change in turnaround time for applications from the current 7.7 day average to an average nearer to the maximum statutorily required 45-day timeline.

House Bill 4498 (H-2) would result in a CPL renewal application fee revenue loss of approximately \$698,000 for counties (from \$4.2 million to \$3.5 million) and a loss of \$7.5 million for the MSP (\$9.2 million to \$1.7 million). The current application fee for a CPL renewal license is \$115, with \$36 retained by a county and \$79 going to the MSP. The bill would limit the CPL renewal application license fee to \$45; \$30 would be retained by the county and \$15 would have to be remitted to the MSP. Similarly to House Bill 4030 (H-2), this reduction would have a relatively minor fiscal impact on counties but a significant impact on MSP, which could (without an equivalent replacement of General Fund dollars) result in a reduction in staffing that would result in delayed renewal application processing timelines.

Fiscal Analyst: Bruce Baker

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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.