

Legislative Analysis



SECURITIES FEES SUNSET EXTENSIONS

Phone: (517) 373-8080
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House Bill 4994 (H-2)
Sponsor: Rep. Phil Skaggs
Committee: Appropriations
Complete to 9-19-23

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

SUMMARY:

House Bill 4994 would amend the Uniform Securities Act (2008 PA 551), which provides for regulation of the securities industry in this state, by extending fee sunsets that will mature on September 30, 2023 through September 30, 2027. The bill would maintain FY 2022-23 fee amounts by extending previously enacted fee increases. (Increases were initially enacted in 2008 with sunset provisions.) The fee sunsets were previously extended in 2019.

MCL 451.2410

FISCAL IMPACT:

The bill would maintain current levels of revenue for fees collected by the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) within the Department of Licensing and Regulatory Affairs (LARA), to the extent that the CSCLB would continue collecting revenue generated by fee increases that would otherwise sunset. Revenue generated from these fees is deposited to the Securities Fees Fund and expended for administration of LARA's duties; unexpended revenue to the Securities Fees Fund lapses to the General Fund at the end of the fiscal year. LARA estimates that revenue losses that would result if the sunsets are not extended will total approximately \$7.8 million annually. The table below provides information for each of the fees.

Fee Title	MCL	Current Fee	Fee Post-Sunset	Projected Revenue Loss
Broker-Dealer Registration Application or Renewal Fee	451.2410	\$300	\$250	\$84,400
Agent Registration Application, Renewal, or Change Fee	451.2410	\$65	\$30	\$7,063,400
Investment Adviser Registration Application or Renewal Fee	451.2410	\$200	\$150	\$29,000

Investment Adviser Representative Registration Application, Renewal, or Change Fee	451.2410	\$65	\$30	\$516,700
Federal Covered Investment Adviser Section 405 Initial and Annual Notice Fee	451.2410	\$200	\$150	\$106,500

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