

Legislative Analysis



REDUCE CONCEALED PISTOL LICENSE RENEWAL FEE

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House Bill 5098 (proposed substitute H-1)

Sponsor: Rep. Brad Paquette

Committee: Military, Veterans and Homeland Security

Complete to 2-24-20

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

SUMMARY:

House Bill 5098 would amend 1927 PA 372, the handgun licensing law, to reduce the fee to renew a concealed pistol license (CPL).

Currently under the act, an applicant for a renewal CPL must pay an application and licensing fee of \$115. Of that amount, \$36 is deposited in the concealed pistol licensing fund of the applicable county, and the balance (\$79) is deposited in the state general fund to the credit of the Department of State Police (MSP).

The bill would reduce the application and licensing fee to \$30, all of which would be deposited in the concealed pistol licensing fund of the applicable county.

MCL 28.4251

FISCAL IMPACT:

House Bill 5098 would have a significant fiscal impact on the MSP and on county governments. The bill would reduce revenues to the aforementioned entities by reducing the application fee for CPL renewals submitted to county clerks or the MSP from \$115 to \$30. The full amount of the fees would be deposited to county concealed pistol licensing funds in the respective county of renewal. Under current law, the \$115 renewal fee is distributed with \$36 deposited to the concealed pistol licensing fund of the respective county and \$79 deposited to the state general fund to the credit of the MSP. No portion of the new \$30 fee would be allocated to the general fund for MSP.

According to the most recent concealed pistol licensing report from the MSP for FY 2018-19, MSP revenues from all CPL licensing (including both initial and renewal applications) totaled \$8.9 million. Assuming that this figure represents the MSP's total share of CPL licensing revenues, county revenues from CPL licensing in FY 2018-19 were approximately \$4.0 million. Total departmental expenditures for FY 2018-19 totaled \$8.9 million, according to the report. Of the \$8.9 million in revenue that MSP receives from CPL licensing, approximately \$2.0 million was expended for MSP's CPL Unit and \$6.9 million was expended for support systems utilized by the CPL Unit. It is currently indeterminate how much revenues to counties and the general fund may decline, as reported CPL revenues are not delineated by initial or renewal status. It is also indeterminate how MSP's CPL licensing activities would be funded in the future.

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