

# Legislative Analysis



## REDUCE CONCEALED PISTOL LICENSE FEES

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**House Bill 4030 (H-2) as reported from committee**  
**Sponsor: Rep. Michele Hoytenga**

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

**House Bill 4498 (H-2) as reported from committee**  
**Sponsor: Rep. Brad Paquette**

**Committee: Military, Veterans and Homeland Security**  
**Complete to 5-25-21**

**BRIEF SUMMARY:** House Bills 4030 and 4498 would amend 1927 PA 372, the handgun licensing law, to reduce the fees associated with a concealed pistol license (CPL).

**FISCAL IMPACT:** The bills would have significant fiscal implications for the Department of State Police (MSP) and counties. (See **Fiscal Information**, below, for a detailed discussion.)

### ***THE APPARENT PROBLEM:***

According to committee testimony, the fees associated with obtaining and renewing a CPL in Michigan are among the highest in the nation. Some believe that the cost is prohibitive and makes it too expensive for some Michiganders to receive a CPL. Legislation has been offered to reduce CPL application and renewal fees to make the processes more affordable.

### ***THE CONTENT OF THE BILLS:***

**House Bill 4030** would reduce CPL application fees.

To obtain a CPL, an individual currently must apply to the county clerk in the county where he or she lives. Among additional requirements, he or she must pay a \$100 licensing fee. Of that amount, \$26 is deposited in the concealed pistol licensing fund of the applicable county, and the balance (\$74) is forwarded to the state general fund to the credit of MSP to be used by MSP to process the applicant's fingerprints and for other costs associated with processing fingerprints submitted under the act.

Under the bill, the application fee would be not more than \$45, of which \$15 would be forwarded to the state treasurer to be deposited in the general fund to the credit of MSP for use only for fingerprinting costs and other costs associated with CPL licenses and renewals. (As written, the bill would allow a county to set its fee below \$15, although it would still require \$15 from the fee amount to be transmitted to MSP.) The balance of the fee amount would be deposited in the concealed pistol licensing fund of the applicable county.

Additionally, the act contains a list of misdemeanor violations that could bar an applicant's licensure. HB 4030 would remove references to two misdemeanors that have since been repealed.<sup>1</sup>

MCL 28.425b

**House Bill 4498** would reduce CPL application and licensing renewal fees.

Currently under the act, an applicant for a renewal CPL, whether applying in person, online, or through the mail, 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 MSP.

The bill would reduce the fee for an application for a renewal license to a county clerk to not more than \$45, of which \$15 would be forwarded to the state treasurer to be deposited in the general fund to the credit of MSP. (As written, the bill would allow a county to set its fee below \$15, although it would still require \$15 from the fee amount to be transmitted to MSP.) The balance would be deposited in the concealed pistol licensing fund of the applicable county.

Additionally, the bill would reduce the online or mail-in renewal application and licensing fee from \$115 to \$45. Of that amount, \$30 would be deposited in the concealed pistol licensing fund of the applicable county, and the balance (\$15) would be deposited in the state general fund to the credit of MSP.

MCL 28.425l

The bills are tie-barred to one other, which means that neither could take effect unless both were enacted.

### ***FISCAL INFORMATION:***

**House Bill 4030** would have significant fiscal implications for MSP and for counties. By modifying application and licensing fees for initial CPLs, the bill would dramatically reduce the amount of revenue received by the MSP, while increasing the amount of revenue that counties would receive. Under current statute, the application and licensing fee for an initial CPL is \$100, with \$26 retained by the applicable county in the county's concealed pistol licensing fund and \$74 remitted to the state for the MSP. Under the bill, the total initial CPL fee could not exceed \$45, with \$15 remitted to the state for the MSP (approximately an 80% reduction) and up to \$30 retained by the county. MSP indicated that in Fiscal Year 2019-20, there were 66,269 applications for new CPLs. The table below provides revenue projections for fee revenues under current law and the parameters established in the bill, with the calculation predicated on FY 20 initial application volumes.

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<sup>1</sup> Specifically, violations concerning the sale or possession of a switchblade under MCL 750.226a and requirements to have a pistol inspected under former MCL 750.228. These provisions were repealed by 2017 PA 96 and 2008 PA 196, respectively.

<b>Entity Receiving Revenue</b>	<b>Amount Received Under Current Law</b>	<b>Amount Received Under HB 4030</b>	<b>Change</b>
Counties	\$1,722,994	\$1,988,070	\$265,076
MSP	\$4,903,906	\$994,035	(\$3,909,871)
<b>Total</b>	<b>\$6,626,900</b>	<b>\$2,982,105</b>	<b>(\$3,644,795)</b>

MSP indicated that the bill may require statutory mandates to be either repealed or funded using general fund revenue. Furthermore, the department indicated that MSP may have to reduce staffing within the CPL Unit, which would lead to increased turnaround time for processing CPLs. MSP estimates indicate that such an increase could lengthen the turnaround time from the current 7.7-day average issuance time (January 2021 to present) to an average closer to the 45-day statutory timeline.

**House Bill 4498** would have significant fiscal implications for MSP and for counties. By modifying application and licensing fees for renewal CPLs, the bill would dramatically reduce the amount of revenue received by the MSP and counties. Under current statute, the application and licensing fee for a renewal CPL is \$115, with \$36 retained by the applicable county in the county's concealed pistol licensing fund and \$79 remitted to the state for the MSP. Under the bill, the total renewal CPL fee could not exceed \$45, with \$15 remitted to the state for the MSP (approximately an 81% reduction) and up to \$30 retained by the county (a reduction of approximately 17%). MSP indicated that in Fiscal Year 2019-20, there were 116,391 applications for renewal CPLs. The table below provides revenue projections for fee revenues under current law and the parameters established in the bill, with the calculation predicated on FY 20 renewal application volumes.

<b>Entity Receiving Revenue</b>	<b>Amount Received Under Current Law</b>	<b>Amount Received Under HB 4030</b>	<b>Change</b>
Counties	\$4,190,076	\$3,491,730	(\$698,346)
MSP	\$9,194,889	\$1,745,865	(\$7,449,024)
<b>Total</b>	<b>\$13,384,965</b>	<b>\$5,237,595</b>	<b>(\$8,147,370)</b>

As a result of revenue reductions, the department indicated that MSP may have to reduce staffing within the CPL Unit, which would lead to increased turnaround time for processing CPLs. MSP estimates indicate that such an increase could lengthen the turnaround time from the current 7.7-day average issuance time (January 2021 to present) to an average closer to the 45-day statutory timeline.

**ARGUMENTS:**

***For:***

Supporters of the bills argue that the current CPL licensing and renewal fees are cost-prohibitive. Certain Michiganders, including those on fixed incomes, cannot afford to obtain a CPL or even renew their current license due to the current fee structures. However, there are costs involved for reviewing applications and renewals. Proponents argue that reducing the fees associated with licensing and renewals as set forth in the bills would enable more Michiganders to obtain a CPL and responsibly renew the CPL as required, while also covering the actual costs of the licensure and renewal processes.

***Against:***

Critics argue that the fee reductions in the bills are too low and would cause loss of revenue to the county clerks and MSP, who process the CPL applications and renewals. Those losses would mean fewer staff available to review the applications and renewals, which would result in larger processing backlogs, thus further delaying licenses and renewals to Michiganders.

**POSITIONS:**

A representative of Michigan Open Carry testified in support of the bills. (4-27-21)

The Michigan Coalition for Responsible Gun Owners indicated support for the bills. (4-27-21)

A representative of the Michigan State Police testified in opposition to the bills (5-11-21).

The Michigan Association of Counties indicated opposition to the bills. (4-27-21)

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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.