

Legislative Analysis



LICENSE AND REGISTRATION FEE WAIVERS FOR ARMED FORCES MEMBERS AND DEPENDENTS

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House Bill 6400 as introduced
Sponsor: Rep. David W. Martin
Committee: Workforce, Trades, and Talent
Complete to 10-6-22

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

SUMMARY:

House Bill 6400 would amend the State License Fee Act to modify eligibility for certain fee exemptions for current and former members of the armed forces and their family members seeking a license or registration overseen by the Department of Licensing and Regulatory Affairs (LARA).

Presently, the act requires LARA to waive the *initial* fees for license or registration application processing, as well as the *initial* fees for the license or registration itself for individuals actively serving in the armed or uniformed services or who have previously served, and who provide certain documentation showing they were separated from service with an honorable character of service or under honorable conditions (general) character of service. **Dependents** of these individuals are also eligible to have those same initial fees waived. (For purposes of these provisions, **dependent** means a spouse, surviving spouse, or child or surviving child who is less than 26 years old.)

The bill would amend this to add a requirement that for those who are not actively serving in the armed forces, they must be separated from their service not more than five years before their date of application for an initial license or registration to be eligible for having fees waived. This would also apply to eligibility for a veteran's dependent seeking to have their initial fees waived.

For service members only, the bill also would require that all licensing and registration and application processing fees, not just the initial fees, be waived for eligible service members and former service members.

MCL 338.2204

FISCAL IMPACT:

House Bill 6400 would likely reduce revenue for the Department of Licensing and Regulatory Affairs, but the bill would not affect LARA's expenditures. By exempting active service members and service members who separated from the armed forces during a five-year period from all license and registration fees, rather than just the initial license or registration fee, the bill would expand the population of individuals who are eligible for fee exemption and the duration of individual exemptions. The exemptions would apply to all licenses issued in accordance with the State License Fee Act, which includes licenses for public accountants, landscape architects, barbers, cosmetologists and associated professions, collections agents and

agencies, employment agents and personnel agencies, hearing aid dealers, real estate brokers and appraisers, residential builders, and funeral directors.

For reference, according to the FY 2020-21 Honorably Discharged Veteran Impact Boilerplate Report, LARA exempted approximately 586 licenses and \$62,200 in fees for these professions in FY 2020-21. The magnitude of the impact resulting from the changes within this bill would depend on several factors, including the length of the licensure cycle (which varies by license) and the number of individuals who would meet the criteria. Therefore, the precise amount of the projected reduction is indeterminate. Any resulting revenue reduction would primarily affect the Licensing and Regulation Fund, a state restricted fund utilized to support various LARA costs.

The bill would not have an impact on any other units of state or local government.

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