



Senate Fiscal Agency  
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House Bill 4030 (Substitute H-2 as reported without amendment)  
House Bill 4498 (Substitute H-2 as reported without amendment)  
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

### **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 reduce the application fee for a CPL renewal from \$115 to not more than \$45 and to provide for the disposition of fee revenue.

The bills are tie-barred.

MCL 28.425b (H.B. 4030)  
MCL 28.425I (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.

Date Completed: 5-31-22

Fiscal Analyst: Bruce Baker