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BILL ANALYSIS

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Senate Fiscal Agency

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House Bill 4781 (as reported without amendment)**Sponsor: Representative Bill Martin****House Committee: State Affairs****Senate Committee: Commerce and Technology****Date Completed: 1-27-88****RATIONALE**

Because of complications with the data processing system within the Department of Licensing and Regulation, a qualified applicant may have to wait as long as 10 to 12 weeks to be issued a permanent real estate salesperson's license. The Department instituted a process in June 1987, in which an applicant may be issued a temporary license within two weeks after the Department receives all of the necessary documentation, including successful test scores. Issuance of a temporary license can be done quickly through the use of microprocessors, while the permanent license must be run through the mainframe computer system, which often is tied up with the renewal cycles of the various occupational licenses issued by the Department. Although the process for issuing a temporary license is in place, some people believe that the issuance of a temporary license should be required in statute to ensure that the process would continue despite possible staff changes or budget reductions in the future.

CONTENT

House Bill 4781 would amend the Occupational Code to require the Department of Licensing and Regulation to issue a temporary real estate license to an applicant, without charging an additional fee, if the Department were unable to issue a license and pocket card within two weeks after it determined that the applicant met all the requirements for licensure.

MCL 339.2506

FISCAL IMPACT

The bill would have no impact on State or local government.

ARGUMENTS**Supporting Argument**

The bill would place into law a process that the Department of Licensing and Regulation already has in operation in order to preserve the process in the event that future policy changes or budgetary pressures threatened to end it. A real estate salesperson lawfully cannot receive a commission on a sale until he or she is licensed, even if the Department possesses all of the documentation needed to issue a license. Issuance of a temporary license has greatly reduced the time it takes for applicants to receive a license and be able to go to work.

Opposing Argument

In the past, the Department needed 10 to 12 weeks to issue a permanent real estate license. Through efforts by the Department, the amount of time needed for issuing a

permanent license has been reduced to less than three weeks. In fact, the Department reportedly has foregone issuing a temporary license at times when it was able to produce a permanent license within the two-week time frame. Since the Department has been able to reduce substantially the time needed to issue a permanent license, even to the point of issuing a license within two weeks, it is not certain why the bill is needed.

Response: There may be occasions when the Department cannot expeditiously issue permanent real estate licenses. In those instances, there should be an assurance that the Department could issue a temporary license within two weeks, thereby not delaying a salesperson's ability to work.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.