
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 118 (Substitute S-1 as reported)
Sponsor: Senator Mike Rogers
Committee: Human Resources, Labor and Veterans Affairs

CONTENT

The bill would amend the Forbes Mechanical Contractors Act to specify that beginning January 1, 1998, an initial or renewal mechanical contractor's license issued under the Act would expire on August 31, 2001, and the Board of Mechanical Rules would have to charge a license fee of \$200 for the years 1998 through 2001, as well as a monthly pro rata license fee of \$44 for the time between January 1, 2001, and August 31, 2001. An applicant's license would expire every third year after August 31, 2001, and would be renewable not later than October 31 upon application and payment of the \$200 license fee.

Currently, the initial or renewal license fee for a mechanical contractor's license is \$75 per year.

MCL 338.980

Legislative Analyst: L. Burghardt

FISCAL IMPACT

Senate Bills 118 (S-1), 119 (S-1), and 120 (S-1) would affect the licenses issued to electricians and mechanical contractors, fire alarm contractors, sign specialty contractors, and master plumbers by extending the licensing period from one year to three years. The renewal fees attributable to all of the licenses, except sign specialty contractors, also would be changed as a result of this extension from \$75 per year to \$200 for three years. According to the Department, this change in the fee structure actually would reduce the revenues into the Construction Code Division by \$25 per license or approximately \$375,000 annually, but the extended license period would reduce the administrative costs for this division as licensing paperwork would be processed less frequently. Therefore, there would be no net fiscal impact. Renewal fees for sign specialty contractors would not be reduced as they are currently \$40 for one year and would be \$120 for three years.

Date Completed: 2-10-97

Fiscal Analyst: M. Tyszkiewicz