



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 1223 and 1224 (as enrolled)

PUBLIC ACTS 261 & 262 of 2004

Sponsor: Senator Virg Bernaro (S.B. 1223)

Senator Nancy Cassis (S.B. 1224)

Senate Committee: Economic Development, Small Business and Regulatory Reform

House Committee: Commerce (S.B. 1223)

Government Operations (S.B. 1224)

Date Completed: 2-8-05

CONTENT

Senate Bill 1223 amended the Asbestos Abatement Contractors Licensing Act, and Senate Bill 1224 amended the Asbestos Workers Accreditation Act, to require the Department of Labor and Economic Development (DLEG) to do the following:

- **Return an applicant's license fee, and reduce the fee for the applicant's next application by 15%, if the Department fails to issue or a deny a license within 60 days after receiving a completed application.**
- **Report to the Legislature each year regarding the issuance of licenses within the required time frame, and the amount of money returned.**

The bills took effect on July 23, 2004.

Under the Asbestos Abatement Contractors Licensing Act, to apply for or renew a license, an asbestos abatement contractor must submit a completed application to DLEG. Within 15 working days after receiving the application, DLEG must acknowledge its receipt and notify the applicant of any deficiency. Within 60 calendar days after receiving the application, DLEG must issue a license or deny the application. Senate Bill 1223 retains these requirements, and specifies that the notice of a deficiency must be in writing or DLEG must make the information electronically available.

Under the Asbestos Workers Accreditation Act, a person wanting to sponsor an asbestos workers training course must apply to DLEG. Within 60 calendar days after receiving a completed application, DLEG must make a determination as to the approval or denial of the application. Under Senate Bill 1224, DLEG also must issue an initial or renewal license within the 60-day period. If DLEG considers the application incomplete, the Department must notify the applicant in writing, or make the information electronically available, within 15 days after receiving the incomplete application. The notice must describe the deficiency and request the additional information.

The bills define "completed application" as an application complete on its face and submitted with any applicable licensing fees as well as any other information, records, approval, security, or similar item required by law or rule from a local unit of government, a Federal agency, or a private entity, but not from another department or agency of the State.

Both bills specify that receipt of an application is considered the date it is received by any agency or department of the State. The 60-day period will be tolled (suspended) upon notification by DLEG of a deficiency until the date the Department receives the requested information.

The bills state that the determination of completeness of an application does not operate as an approval of the application for

the license and does not confer eligibility on an applicant determined otherwise ineligible for issuance of a license.

Under the bills, if DLEG fails to issue or deny a license within the time required, it must return the license fee and reduce the fee for the applicant's next renewal application, if any, by 15%. The failure to issue a license within the time required does not allow DLEG otherwise to delay the processing of the application. Upon completion, the application must be placed in sequence with other completed applications received at the same time. The Department may not discriminate against an applicant in the processing of the application based upon the fact that the license fee was refunded or discounted under these provisions.

The bills require the DLEG Director to submit a report by December 1 each year, beginning in 2005, to the standing committees and Appropriations subcommittees of the Senate and the House of Representatives concerned with occupational issues. The report must include all of the following information concerning the preceding fiscal year:

- The number of initial and renewal applications the Department received and completed within the 60-day period.
- The number of applications denied.
- The number of applicants not issued a license within the 60-day period, and the amount of money returned.

MCL 338.3209 & 338.3211 (S.B. 1223)
338.3411 & 338.3414 (S.B. 1224)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

In FY 2002-03, the Department collected \$5,000 for initial and \$30,300 for renewal licenses for asbestos abatement contractors. Under Senate Bill 1222, the potential loss of revenue from the 15% reduction for future years equates to \$4,500, if the Department misses the 60-day deadline.

According to the Department, the amount of revenue generated from the licensing of asbestos worker trainers was \$28,600 in 2003. Senate Bill 1223 requires a refund of the initial fee and then a discount of 15% for the next licensing cycle if DLEG misses the

deadline. Since the Department already operates within the bill's time frame, the fiscal impact should be minimal.

The bills also require reports that will include new or additional information not previously collected. The database adjustment required to accommodate these requirements and the ability to flag those licensees eligible for the 15% reduction may increase information technology costs.

Fiscal Analyst: Maria Tyszkiewicz

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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.