

Legislative Analysis



SECURITIES FEES SUNSET EXTENSIONS

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Senate Bill 443 as passed by the Senate
Sponsor: Sen. Jeff Irwin
House Committee: Appropriations
Senate Committee: Appropriations
Complete to 8-29-19

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

SUMMARY:

Senate Bill 443 would amend the Uniform Securities Act (2008 PA 551), which provides for the regulation of the securities industry in this state, by extending sunsets on fees that will mature on September 30, 2019. The bill would maintain FY 2018-19 fee amounts by extending previous fee increases (initially enacted in 2008) for an additional four years, through September 30, 2023. The fee sunsets were last extended in 2015.

MCL 451.2410

FISCAL IMPACT:

The bill would maintain current levels of revenue for fees collected by the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) within the Department of Licensing and Regulatory Affairs (LARA), to the extent that the CSCLB would continue collecting revenue generated by fee increases that would otherwise sunset. Revenue generated from these fees is deposited to the Securities Fees Fund and expended for administration of LARA's duties. Unexpended revenues to the Securities Fees Fund lapse to the General Fund at the end of the fiscal year, with approximately \$8.7 million lapsing at the close of FY 2017-18. Estimates made using data provided by the State Budget Office indicate that revenue losses resulting if the sunsets are not extended will total approximately **\$5.9 million**. The table below provides information for each of the fees.

Fee Title	MCL	Current Fee	Fee Post-Sunset	Projected Revenue Loss
Broker-Dealer Registration Application or Renewal Fee	451.2410	\$300	\$250	\$89,950
Agent Registration Application, Renewal, or Change Fee	451.2410	\$65	\$30	\$5,239,850
Investment Adviser Registration Application or Renewal Fee	451.2410	\$200	\$150	\$101,750

Investment Adviser Representative Registration Application, Renewal, or Change Fee	451.2410	\$65	\$30	\$409,430
Federal Covered Investment Adviser Section 405 Initial and Annual Notice Fee	451.2410	\$200	\$150	\$75,800

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