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House Bill 4376 (Substitute H-1 as passed by the House)
House Bill 4377 (Substitute H-1 as passed by the House)
Sponsor: Representative Andrea Schroeder (H.B. 4376)
Representative Sarah Anthony (H.B. 4377)
House Committee: Regulatory Reform
Senate Committee: Families, Seniors, and Veterans

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CONTENT

House Bill 4376 (H-1) would amend the State License Fee Act to require the Department of Licensing and Regulatory Affairs (LARA) to waive the fee for an initial license or initial registration otherwise required under the Act, or an application processing fee, if the applicant were actively serving in the Armed Forces or the uniformed services, was an individual who served in the Armed Forces or uniformed services and was discharged honorably, or was a dependent of a member of the Armed Forces, a dependent of a member of the uniformed services, or a dependent of a veteran.

House Bill 4377 (H-1) would amend the Skilled Trades Regulation Act to do the following:

- Require LARA to waive the fee for an initial license or initial registration that is otherwise required under the Act, or an application processing fee, if the applicant was actively serving in the Armed Forces or the uniformed services, was an individual who served in the Armed Forces or uniformed services and was discharged honorably, or was a dependent of a member of the Armed Forces, a dependent of a member of the uniformed services, or a dependent of a veteran.**
- Modify the requirements for an applicant who was a dependent of a member of the Armed Forces, a dependent of a member of the uniformed service, or a dependent of a veteran would have to meet to receive a temporary license or registration.**
- Require LARA to issue a license or a certificate of registration for an occupation under the Act without examination to an individual who demonstrated to the satisfaction of LARA that he or she was a member of the Armed Forces or uniformed services, a veteran, or a dependent of a member of the Armed Forces, a member of the uniformed services, or a veteran and held a valid license or registration in that occupation from another state, among other criteria.**

House Bill 4376 is tie-barred to Senate Bill 158 which would amend the Occupational Code to amend certain definitions and modify the requirements an applicant who was a dependent of a member of the Armed Forces, a dependent of a member of the uniformed services, or a dependent of a veteran would have to meet to receive a temporary license or registration under the Code. Each bill would take effect 90 days after its enactment.

House Bill 4376 (H-1)

The State License Fee Act provides for the establishment and collection of fees for certain occupations in the State, such as public accountants, architects, and barbers, among other occupations. The Act requires LARA to waive the fee for an initial license or initial registration that is otherwise required under the Act, or an application processing fee charged by LARA for an initial license or registration, if the applicant is an individual who served in the Armed Forces and he or she provides LARA a form DD214, form DD215, or any other form that is satisfactory to LARA that demonstrates he or she was separated from that service with an honorable character of service or under honorable conditions (general) character of service.

In addition, the bill would require LARA to waive the fees as described above if the applicant met one of the following requirements:

- Was an individual who served in the uniformed services and he or she provided to LARA a form DD214, form DD215, or any other form that was satisfactory to LARA that demonstrated he or she was separated from that service with an honorable character of service or under honorable conditions (general) character of service.
- Was actively serving in the Armed Forces or the uniformed services.
- Was a dependent of a member of the Armed Forces, a dependent of a member of the uniformed services, or a dependent of a veteran and he or she provided proof acceptable to LARA that he or she was a dependent.

The Act defines "Armed Forces" as that term is defined in Section 2 of the Veteran Right to Employment Services Act. Under the bill, "Armed Forces" would mean that term as defined in Section 103 of the Occupational Code. "Uniformed services" would mean that term as defined in Section 105 of the Occupational Code. "Veteran" would mean that term as defined in Section 1 of Public Act 190 of 1965: an individual who served in the United States Armed Forces, including the reserve components, and was discharged or released under conditions other than dishonorable. "Dependent" would mean that term as defined in Section 104 of the Occupational Code.

(Generally, Form DD214 is issued to a military service member after retirement, separation, or discharge from active duty in the United States Armed Forces. A Form DD215 is used to correct errors to a Form DD214.)

House Bill 4377 (H-1)

Initial Licensure

The Skilled Trades Regulation Act generally regulates certain occupations in the skilled trades and requires LARA to establish license fees for those occupations. Under the Act, LARA must waive the fee for an initial license or initial registration that is otherwise required under the Act, or an application processing fee charged by LARA for an initial license or initial registration, if the applicant is an individual who served in the Armed Forces and he or she provides to LARA a form DD214, form DD215, or any other form that is satisfactory to LARA that demonstrates he or she was separated from that service with an honorable character of service or under honorable conditions (general) character of service.

In addition, the bill would require LARA to waive the fees as described above if the applicant met one of the following requirements:

- Was actively serving in the Armed Forces or the uniformed services.

- Was an individual who served in the uniformed services and he or she provided to LARA a form DD214, form DD215, or any other form that was satisfactory to LARA that demonstrated he or she was separated from that service with an honorable character of service or under honorable conditions (general) character of service.
- Was a dependent of a member of the Armed Forces, a dependent of a member of the uniformed services, or a dependent of a veteran and he or she provided proof acceptable to LARA that he or she was a dependent.

The Act defines "Armed Forces" as the United States Army, Air Force, Navy, Marine Corps, or Coast Guard or other military force designated by Congress as a part of the Armed Forces of the United States. Under the bill, "Armed Forces" would mean the United States Army, Air Force, Navy, Marine Corps, Space Force, or Coast Guard or other military force designated by Congress as a part of the Armed Forces of the United States, including the reserve components. "Uniformed services" would mean the Commissioned Corps of the United States Public Health Service and the National Oceanic and Atmospheric Administration Commissioned Officer Corps. "Dependent" would mean a spouse, surviving spouse, child under 26 years of age, or surviving child under 26 years of age. "Veteran" would mean that term as defined in Section 1 of Public Act 190 of 1965.

Temporary License

The Act requires LARA to grant a temporary license under the Act to an individual who applies for a temporary license if the applicant meets the following requirements:

- He or she provides proof acceptable to LARA that he or she is married to an individual who is serving in the Armed Forces and is on active duty.
- He or she provides proof acceptable to LARA that he or she holds a current license in good standing, or a current registration in good standing, in the trade or occupation for which he or she is seeking a temporary license, issued by an equivalent licensing department, board, or authority, as determined by LARA, in another state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, another territory or protectorate of the United States, or a foreign country.
- He or she provides proof acceptable to LARA that his or her spouse is assigned to a duty station in the State and that he or she is also assigned to a duty station in the State under his or her spouse's permanent change of station orders.

Instead, under the bill, LARA would have to grant a temporary license under a specific article of the Act if the applicant met all the following:

- He or she provided proof acceptable to LARA that he or she was a dependent of a member of the Armed Forces, a dependent of a member of the uniformed services, or a dependent of a veteran.
- He or she provided proof acceptable to LARA that he or she held a current license in good standing, or a current registration in good standing, in the trade or occupation for which he or she was seeking a temporary license, issued by an equivalent licensing department, board, or authority, as determined by LARA, in consultation with the board of that occupation, in another state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, another territory or protectorate of the United States, or a foreign country.

License or Certificate

Under the bill, LARA would have to issue a license or a certificate of registration for an occupation under the Act without examination to an individual who demonstrated to the

satisfaction of LARA that he or she met all the following at the time of application:

- Provided proof that the individual was a member of the Armed Forces or uniformed services, a veteran, or a dependent of a member of the Armed Forces, a member of the uniformed services, or a veteran.
- Had not had a license or registration revoked, and had not surrendered voluntarily a license or registration, in any other state of the United States or a foreign country while under investigation for unprofessional conduct.
- Had not had discipline imposed by any equivalent licensing department, board or authority in another state of the United States, and if so, LARA would have to determine if the cause for the action was corrected and the matter resolved and could not issue or deny a license or registration until the matter was resolved.
- Did not have a complaint, allegation, or investigation pending before an equivalent licensing department, board, or authority in another state of the United States or a foreign country that related to unprofessional conduct, and if so, LARA would have to suspend the application process and could not issue or deny a license or registration to the applicant until the complaint, allegation, or investigation was resolved.
- Paid all applicable fees.
- Was of good moral character.
- Met the age requirement of that occupation under the Act, if applicable.

In addition, the bill would require an individual to demonstrate to the satisfaction of LARA that he or she held a valid license or registration in that occupation from an equivalent licensing department, board, or authority, as determined by LARA, in at least one other state of the United States. For each license or registration that he or she held, the following would have to be met:

- The license or registration was in good standing and he or she had held that license or registration for at least one year.
- There were minimum education requirements and, if applicable, work experience requirements in effect for licensure or registration in the other state, and the other state verified that he or she met those requirements for licensure or registration in that state.
- If the other state required an examination for licensure or registration, he or she passed it.

The bill specifies that the provisions above would not prevent LARA from issuing a temporary license under Section 219 or issuing a license under Section 731(5), 907(3), or 1019(1).

(Section 219 of the Act allows LARA to grant a temporary license as described above. Section 731(5) of the Act allows LARA to issue a license without examination to an individual seeking electric sign specialty licensure if he or she is licensed, registered, or otherwise regulated in another state. Section 907(3) allows the Board of Boiler Rules to register without examination an applicant for the use of a certain titles under the Act, such as "registered boiler operator" or "registered stationary engineer", if the applicant is a boiler operator or stationary engineer who is licensed as such in another state, country, or municipality. Section 1019(1) allows the State Construction Code Commission to register or reregister without examination as a building official, inspector, plan reviewer, fire protection system inspector, or fire protection system plan reviewer, an applicant who is licensed or certified under the laws of another state.)

MCL 328.2204 (H.B. 4376)
339.5103 et al. (H.B. 4377)

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bills would have an indeterminate, likely moderate, negative fiscal impact on the Department of Licensing and Regulatory Affairs. An increase in available exemptions to active members of the qualified organizations, veterans, and their dependents would result in decreased fee revenue to the respective bureaus within the Department. Most revenue from these fees is dedicated to administering licensing and regulatory programs. In addition, processing applications would require additional staff time. It is unlikely that the volume of work resulting from the bill would require an additional FTE.

The magnitude of the revenue loss and costs associated with the bills would depend on the number of applications for exemptions received in the affected professions. The Department does not have sufficient data to predict the potential increase in exemptions, as it does not track military activity or other qualifying associations of applicants at this time.

The Department of Military and Veterans Affairs estimates that there are approximately 11,000 Michigan National Guard members and approximately 550,000 veterans in Michigan. These incomplete figures indicate that LARA could have to waive a moderately significant amount of fees and exams under the bills; however, there is not enough information to predict how many applicants would qualify for a waiver.

Fiscal Analyst: Elizabeth Raczkowski

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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.