

# **Honorably Discharged Veteran Impact FY 2021 Report to the Legislature**

(Pursuant to Section 503 of PA 87 of 2021)

**February 15, 2022**

**Prepared by:**

**Keith Lambert, Director, Bureau of Construction Codes**

**Debra Gagliardi, Director, Bureau of Professional Licensing**

**Linda Clegg, Director, Corporations, Securities and  
Commercial Licensing**

**Reporting Period: October 1, 2020, through September 30, 2021**



**GRETCHEN WHITMER  
GOVERNOR**



**ORLENE HAWKS  
DIRECTOR**

## Table of Contents

	Page
Executive Summary	3
Required Information:	
Bureau of Construction Codes	4
Bureau of Professional Licensing	9
Corporations, Securities and Commercial Licensing Bureau:	
Corporations Division	12
Licensing Division	14

## **Executive Summary**

Public Act 87 of 2021, Section 503 requires the following:

**Sec. 503.** *Not later than February 15, the department shall submit a report to the subcommittees, the senate and house fiscal agencies, and state budget director providing the following information:*

*(a) The number of veterans who were separated from service in the Armed Forces of the United States with an honorable character of service or under honorable conditions (general) character of service, individually or if a majority interest of a corporation or limited liability company, that were exempted from paying licensure, registration, filing, or any other fees collected under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.*

*(b) The specific fees and total amount of revenue exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.*

*(c) The actual costs of providing licensing and other regulatory services to veterans exempted from paying licensure, registration, filing, or any other fees during the preceding fiscal year and a description of how these costs were calculated.*

*(d) The estimated amount of revenue that will be exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau in both the current and subsequent fiscal years and a description of how the exempted revenue was estimated.*

Pursuant to this requirement, this report has been prepared and issued electronically to the House and Senate appropriations subcommittees, House and Senate Fiscal Agencies, and the state budget director to meet the February 15 reporting requirement. In addition, this report is also online under the “Featured Services” section – “Legislative Reports” of the Department of Licensing and Regulatory Affairs (LARA) website at: [www.michigan.gov/lara](http://www.michigan.gov/lara).

# Honorably Discharged Veteran Impact

*FY21 Report to the Legislature  
(Pursuant to Section 503 of PA 87 of 2021)*

## Department of Licensing and Regulatory Affairs

### Bureau of Construction Codes

*FY21 Actual Data*

	License				
	Period	# Exempt	Fee	Total Revenue	Exempt
<b>Electrical Initial Licenses</b>					
Electrical Contractor (61)	3 year	8	\$300	\$	2,400
Master Electrician (62)	1 year	6	\$50	\$	300
Electrical Journeyman (63)	1 year	28	\$40	\$	1,120
Apprentice Electrician (50)	1 year	49	\$15	\$	735
Fire Alarm Contractor (51)	3 year	0	\$300	\$	-
Fire Alarm Specialty Tech (52)	1 year	3	\$50	\$	150
Fire Alarm Specialty Apprentice (50)	1 year	3	\$15	\$	45
Sign Specialty Contractor (53)	3 year	1	\$200	\$	200
Sign Specialist (54)	1 year	1	\$40	\$	40
		<u>99</u>		<u>\$</u>	<u>4,990</u>
<b>Total Electricians</b>					
<b>Residential Builder Initial Licenses</b>					
Salesperson	3 year	11	\$195	\$	2,145
Individual Builder	3 year	71	\$195	\$	13,845
M&A Individual	3 year	5	\$195	\$	975
		<u>87</u>		<u>\$</u>	<u>16,965</u>
<b>Total Residential Builders</b>					
<b>Plumbing Initial Licenses</b>					
Contractor Plumber (80)	3 year	4	\$300	\$	1,200
Master Plumber (81)	3 year	6	\$300	\$	1,800
Journey Plumber (82)	1 year	15	\$40	\$	600
Apprentice Plumber (83)	1 year	46	\$15	\$	690
		<u>71</u>		<u>\$</u>	<u>4,290</u>
<b>Total Plumbers</b>					
<b>Mechanical Initial Licenses</b>					
Mechanical Contractor (71)	3 year	15	\$300	\$	4,500
		<u>15</u>		<u>\$</u>	<u>4,500</u>
<b>Total Mechanical Contractors</b>					
Building Officials & Inspectors Initial Registrations	3 year	4	\$75	\$	300
		<u>4</u>		<u>\$</u>	<u>300</u>
<b>Total Building Official Licenses</b>					
<b>Boiler Initial Licenses</b>					
Installer	Initial Fee	0	\$80	\$	-
Repairer	Initial Fee	0	\$80	\$	-
Inspector	Initial Fee	3	\$50	\$	150
Operator	Initial Fee	1	\$80	\$	80
		<u>4</u>		<u>\$</u>	<u>230</u>
<b>Bureau of Construction Codes Totals:</b>					
		<b>280</b>		<b>\$</b>	<b>31,275</b>

# Honorably Discharged Veteran Impact

*FY21 Report to the Legislature  
(Pursuant to Section 503 of PA 87 of 2021)*

## Department of Licensing and Regulatory Affairs

### Bureau of Construction Codes

*FY22 Projected Data*

	License		Fee	Total Revenue	Exempt
	Period	# Exempt			
<b>Electrical Initial Licenses</b>					
Electrical Contractor (61)	3 year	8	\$300	\$	2,400
Master Electrician (62)	1 year	6	\$50	\$	300
Electrical Journeyman (63)	1 year	28	\$40	\$	1,120
Apprentice Electrician (50)	1 year	49	\$15	\$	735
Fire Alarm Contractor (51)	3 year	0	\$300	\$	-
Fire Alarm Specialty Tech (52)	1 year	3	\$50	\$	150
Fire Alarm Specialty Apprentice (50)	1 year	3	\$15	\$	45
Sign Specialty Contractor (53)	3 year	1	\$200	\$	200
Sign Specialist (54)	1 year	1	\$40	\$	40
<b>Total Electricians</b>		<b>99</b>		<b>\$</b>	<b>4,990</b>
<b>Residential Builder Initial Licenses</b>					
Salesperson	3 year	11	\$195	\$	2,145
Individual Builder	3 year	71	\$195	\$	13,845
M&A Individual	3 year	5	\$195	\$	975
<b>Total Residential Builders</b>		<b>87</b>		<b>\$</b>	<b>16,965</b>
<b>Plumbing Initial Licenses</b>					
Contractor Plumber (80)	3 year	4	\$300	\$	1,200
Master Plumber (81)	3 year	6	\$300	\$	1,800
Journey Plumber (82)	1 year	15	\$40	\$	600
Apprentice Plumber (83)	1 year	46	\$15	\$	690
<b>Total Plumbers</b>		<b>71</b>		<b>\$</b>	<b>4,290</b>
<b>Mechanical Initial Licenses</b>					
Mechanical Contractor (71)	3 year	15	\$300	\$	4,500
<b>Total Mechanical Contractors</b>		<b>15</b>		<b>\$</b>	<b>4,500</b>
<b>Building Officials &amp; Inspectors Initial Registrations</b>					
	3 year	4	\$75	\$	300
<b>Total Building Official Licenses</b>		<b>4</b>		<b>\$</b>	<b>300</b>
<b>Boiler Initial Licenses</b>					
Installer	Initial Fee	0	\$80	\$	-
Repairer	Initial Fee	0	\$80	\$	-
Inspector	Initial Fee	3	\$50	\$	150
Operator	Initial Fee	1	\$80	\$	80
		<b>4</b>		<b>\$</b>	<b>230</b>
<b>Bureau of Construction Codes Totals:</b>		<b>280</b>		<b>\$</b>	<b>31,275</b>

# Honorably Discharged Veteran Impact

*FY21 Report to the Legislature  
(Pursuant to Section 503 of PA 87 of 2021)*

## Department of Licensing and Regulatory Affairs

### Bureau of Construction Codes

*FY23 Projected Data*

	License Period	# Exempt	Fee	Total Revenue	Exempt
<b>Electrical Initial Licenses</b>					
Electrical Contractor (61)	3 year	8	\$300	\$	2,400
Master Electrician (62)	1 year	6	\$50	\$	300
Electrical Journeyman (63)	1 year	28	\$40	\$	1,120
Apprentice Electrician (50)	1 year	49	\$15	\$	735
Fire Alarm Contractor (51)	3 year	0	\$300	\$	-
Fire Alarm Specialty Tech (52)	1 year	3	\$50	\$	150
Fire Alarm Specialty Apprentice (50)	1 year	3	\$15	\$	45
Sign Specialty Contractor (53)	3 year	1	\$200	\$	200
Sign Specialist (54)	1 year	1	\$40	\$	40
<b>Total Electricians</b>		<b>99</b>		<b>\$</b>	<b>4,990</b>
<b>Residential Builder Initial Licenses</b>					
Salesperson	3 year	11	\$195	\$	2,145
Individual Builder	3 year	71	\$195	\$	13,845
M&A Individual	3 year	5	\$195	\$	975
<b>Total Residential Builders</b>		<b>87</b>		<b>\$</b>	<b>16,965</b>
<b>Plumbing Initial Licenses</b>					
Contractor Plumber (80)	3 year	4	\$300	\$	1,200
Master Plumber (81)	3 year	6	\$300	\$	1,800
Journey Plumber (82)	1 year	15	\$40	\$	600
Apprentice Plumber (83)	1 year	46	\$15	\$	690
<b>Total Plumbers</b>		<b>71</b>		<b>\$</b>	<b>4,290</b>
<b>Mechanical Initial Licenses</b>					
Mechanical Contractor (71)	3 year	15	\$300	\$	4,500
<b>Total Mechanical Contractors</b>		<b>15</b>		<b>\$</b>	<b>4,500</b>
<b>Building Officials &amp; Inspectors Initial Registrations</b>					
<b>Total Building Official Licenses</b>	3 year	<b>4</b>	<b>\$75</b>	<b>\$</b>	<b>300</b>
<b>Boiler Initial Licenses</b>					
Installer	Initial Fee	0	\$80	\$	-
Repairer	Initial Fee	0	\$80	\$	-
Inspector	Initial Fee	3	\$50	\$	150
Operator	Initial Fee	1	\$80	\$	80
		<b>4</b>		<b>\$</b>	<b>230</b>
<b>Bureau of Construction Codes Totals:</b>		<b>280</b>		<b>\$</b>	<b>31,275</b>

# Honorably Discharged Veteran Impact

*FY21 Report to the Legislature  
(Pursuant to Section 503 of PA 87 of 2021)*

## Department of Licensing and Regulatory Affairs

### Bureau of Construction Codes

*FY24 Projected Data*

	License Period	# Exempt	Fee	Total Revenue	Exempt
<b>Electrical Initial Licenses</b>					
Electrical Contractor (61)	3 year	8	\$300	\$	2,400
Master Electrician (62)	1 year	6	\$50	\$	300
Electrical Journeyman (63)	1 year	28	\$40	\$	1,120
Apprentice Electrician (50)	1 year	49	\$15	\$	735
Fire Alarm Contractor (51)	3 year	0	\$300	\$	-
Fire Alarm Specialty Tech (52)	1 year	3	\$50	\$	150
Fire Alarm Specialty Apprentice (50)	1 year	3	\$15	\$	45
Sign Specialty Contractor (53)	3 year	1	\$200	\$	200
Sign Specialist (54)	1 year	1	\$40	\$	40
<b>Total Electricians</b>		<b>99</b>		<b>\$</b>	<b>4,990</b>
<b>Residential Builder Initial Licenses</b>					
Salesperson	3 year	11	\$195	\$	2,145
Individual Builder	3 year	71	\$195	\$	13,845
M&A Individual	3 year	5	\$195	\$	975
<b>Total Residential Builders</b>		<b>87</b>		<b>\$</b>	<b>16,965</b>
<b>Plumbing Initial Licenses</b>					
Contractor Plumber (80)	3 year	4	\$300	\$	1,200
Master Plumber (81)	3 year	6	\$300	\$	1,800
Journey Plumber (82)	1 year	15	\$40	\$	600
Apprentice Plumber (83)	1 year	46	\$15	\$	690
<b>Total Plumbers</b>		<b>71</b>		<b>\$</b>	<b>4,290</b>
<b>Mechanical Initial Licenses</b>					
Mechanical Contractor (71)	3 year	15	\$300	\$	4,500
<b>Total Mechanical Contractors</b>		<b>15</b>		<b>\$</b>	<b>4,500</b>
<b>Building Officials &amp; Inspectors Initial Registrations</b>					
<b>Total Building Official Licenses</b>	3 year	<b>4</b>	<b>\$75</b>	<b>\$</b>	<b>300</b>
<b>Boiler Initial Licenses</b>					
Installer	Initial Fee	0	\$80	\$	-
Repairer	Initial Fee	0	\$80	\$	-
Inspector	Initial Fee	3	\$50	\$	150
Operator	Initial Fee	1	\$80	\$	80
		<b>4</b>		<b>\$</b>	<b>230</b>
<b>Bureau of Construction Codes Totals:</b>		<b>280</b>		<b>\$</b>	<b>31,275</b>

# **Honorably Discharged Veteran Impact**

*FY21 Report to the Legislature  
(Pursuant to Section 503 of PA 87 of 2021)*

## **Department of Licensing and Regulatory Affairs Bureau of Construction Codes**

### *FY21 Estimated Costs for Services*

Estimated Cost to Process an Initial License Application - Regular	\$32.02
Estimated Cost to Process an Initial License Application - with Veteran Exemption	\$41.92
Estimated Cost to Process a Renewal Application - Regular	\$30.94
Estimated Cost to Process an Examination Application - Regular	\$111.03

All of the above estimated costs were calculated by conducting a time study of numerous industry examination, initial and renewal application process. These costs reflect the average processing time for an application only and do not include the daily cost for administration and enforcement.

All examinations are being conducted by a third party, PSI. The bureau reviews the applications and provides questions for the examination. It does not receive a fee for these services.



# Honorably Discharged Veteran Impact

*FY21 Report to the Legislature*

*(Pursuant to Section 503 of PA 87 of 2021)*

## Department of Licensing and Regulatory Affairs Bureau of Professional Licensing

Fiscal Year 2021 \*

Profession	Count	Application Fees	License Fees	Total Fees Exempted
Accountancy	16	\$800.00	\$1,350.00	\$2,150.00
Architects	2	\$60.00	\$140.00	\$200.00
Barbers	30	\$600.00	\$1,770.00	\$2,370.00
Collections	0			\$0.00
Cosmetology	80	\$1,200.00	\$3,840.00	\$5,040.00
Hearing Aid Dealers	2	\$30.00	\$90.00	\$120.00
Personnel Agents	0			\$0.00
Professional Engineers	26	\$910.00	\$2,080.00	\$2,990.00
Professional Surveyors	0			\$0.00
Real Estate Brokers and Salespersons	338	\$4,330.00	\$27,504.00	\$31,834.00
Real Estate Appraiser	5	\$175.00	\$375.00	\$550.00
<b>TOTAL</b>	<b>499</b>	<b>\$8,105.00</b>	<b>\$37,149.00</b>	<b>\$45,254.00</b>
<b>Actual Costs:</b>	<b>\$8,222</b>			

Average cost of staff (\$49.43 per hour including salary and benefits) x Average application processing time (20 minutes) x Number of applications (499) = \$3,609.

\*Fiscal Year 2021 numbers include fees exempted for current members of the armed services, veterans, dependent of a member of the armed services or dependent of a veteran per Public Act 23 of 2021.

**Fiscal Year 2022 – Projected**

<b>Program</b>	<b>Count</b>	<b>Application Fees</b>	<b>License Fees</b>	<b>Total Fees Exempted</b>
Accountancy	18	\$880	\$1,485	\$2,365
Architects	2	\$66	\$154	\$220
Barbers	33	\$660	\$1,947	\$2,607
Collections	2	\$163	\$212	\$375
Cosmetology	88	\$1,320	\$4,224	\$5,544
Hearing Aid Dealers	2	\$33	\$99	\$132
Personnel Agents	1	\$36	\$48	\$84
Professional Engineers	29	\$1,001	\$2,288	\$3,289
Professional Surveyors	1	\$42	\$61	\$103
Real Estate Brokers and Salespersons	372	\$4,763	\$30,254	\$35,017
Real Estate Appraiser	6	\$193	\$413	\$605
<b>TOTAL</b>	<b>553</b>	<b>\$9,157</b>	<b>\$41,185</b>	<b>\$50,341</b>

Description of estimate: Assumed overall growth rate of 10% based on maximum of previous 4 years actual numbers.

**Fiscal Year 2023 – Projected**

<b>Program</b>	<b>Count</b>	<b>Application Fees</b>	<b>License Fees</b>	<b>Total Fees Exempted</b>
Accountancy	19	\$968	\$1,634	\$2,602
Architects	2	\$73	\$169	\$242
Barbers	36	\$726	\$2,142	\$2,868
Collections	2	\$179	\$233	\$413
Cosmetology	97	\$1,452	\$4,646	\$6,098
Hearing Aid Dealers	2	\$36	\$109	\$145
Personnel Agents	1	\$40	\$53	\$92
Professional Engineers	31	\$1,101	\$2,517	\$3,618
Professional Surveyors	1	\$46	\$67	\$113
Real Estate Brokers and Salespersons	409	\$5,239	\$33,280	\$38,519
Real Estate Appraiser	6	\$212	\$454	\$666
<b>TOTAL</b>	<b>608</b>	<b>\$10,072</b>	<b>\$45,303</b>	<b>\$55,376</b>
<b>Description of estimate:</b>				

Description of estimate: Assumed overall growth rate of 10% over previous years projection.

## Honorably Discharged Veteran Impact

FY2021 Report to the Legislature  
(Pursuant to Section 503, 2021 PA 87)

### Corporations, Securities and Commercial Licensing Bureau Corporations Division

*FY 2021 Actual Data*

FISCAL YEAR 2021			
<i>Type</i>	<i>Number of Entities</i>	<i>Number of Forms/Statements</i>	<i>Revenue</i>
Profit Corporation Documents	4	4	\$230
Nonprofit Corporation Documents	5	5	\$100
LLC Documents	244	344	\$12,310
LLC Restorations	68	68	\$12,900
Profit Corporation Reports	216	469	\$11,725
LLC Statements	1,865	2,118	\$52,950
PLLC Statements and Reports	63	67	\$5,025
Certifications and Orders	-	-	\$0
<b>TOTAL</b>	<b>2,465</b>	<b>3,075</b>	<b>\$95,240</b>

**Actual Cost: \$36,231.74**

*How it was Calculated:*

*Average hourly wage of staff X (Cost divided by Filings) X Approximate Review and Processing Time of Documents/Reports X Number of Forms/Submissions = Total Cost*

*\$29.88 X (\$1.82/60) X 13 X 3,075 = \$36,231.74*

PROJECTED FISCAL YEAR 2022			
<i>Type</i>	<i>Number of Entities</i>	<i>Number of Forms/Statements</i>	<i>Revenue</i>
Profit Corporation Documents	5	5	\$288
Nonprofit Corporation Documents	6	6	\$600
LLC Documents	293	412	\$14,741
LLC Restorations	82	82	\$15,556
Profit Corporation Reports	259	563	\$14,075
LLC Statements	2,238	2,542	\$63,550
PLLC Statements and Reports	76	80	\$6,000
Certifications and Orders	1	1	\$20
<b>TOTAL</b>	<b>2,960</b>	<b>3,691</b>	<b>\$114,830</b>

<b>PROJECTED FISCAL YEAR 2023</b>			
<i>Type</i>	<i>Number of Entities</i>	<i>Number of Forms/Statements</i>	<i>Revenue</i>
Profit Corporation Documents	6	6	\$345
Nonprofit Corporation Documents	7	7	\$140
LLC Documents	319	449	\$16,065
LLC Restorations	89	89	\$16,884
Profit Corporation Reports	282	613	\$15,325
LLC Statements	2439	2770	\$69,250
PLLC Statements and Reports	83	87	\$6,525
Certifications and Orders	1	1	\$20
<b>TOTAL</b>	<b>3,226</b>	<b>4,022</b>	<b>\$124,554</b>

<b>PROJECTED FISCAL YEAR 2024</b>			
<i>Type</i>	<i>Number of Entities</i>	<i>Number of Forms/Statements</i>	<i>Revenue</i>
Profit Corporation Documents	7	7	\$403
Nonprofit Corporation Documents	8	8	\$160
LLC Documents	348	489	\$17,496
LLC Restorations	97	97	\$18,402
Profit Corporation Reports	307	668	\$16,700
LLC Statements	2659	3019	\$75,475
PLLC Statements and Reports	90	95	\$7,125
Certifications and Orders	1	1	\$20
<b>TOTAL</b>	<b>3,517</b>	<b>4,384</b>	<b>\$135,781</b>

**Honorably Discharged Veteran Impact**  
**FY 2022 Report to the Legislature**  
*(Under Section 503 of 2021 PA 87)*

**Corporations, Securities and Commercial Licensing**  
*Licensing Division*

<b>FISCAL YEAR 2021</b>			
<b>Program</b>	<b>Count</b>	<b>Application Fees</b>	<b>Total Fees Exempted</b>
Security Alarm	0	\$500	\$0
Security Guard	1	\$200	\$200
Mortuary Science	3	\$45	\$145
	4		\$345

<b>PROJECTED FISCAL YEAR 2022</b>			
<b>Program</b>	<b>Count</b>	<b>Application Fees</b>	<b>Total Fees Exempted</b>
Security Alarm	0	\$500	\$0
Security Guard	1	\$200	\$200
Mortuary Science	3	\$45	\$135
	4		\$335

<b>PROJECTED FISCAL YEAR 2023</b>			
<b>Program</b>	<b>Count</b>	<b>Application Fees</b>	<b>Total Fees Exempted</b>
Security Alarm	0	\$500	\$0
Security Guard	1	\$200	\$200
Mortuary Science	3	\$45	\$135
	4		\$335

<b>PROJECTED FISCAL YEAR 2024</b>			
<b>Program</b>	<b>Count</b>	<b>Application Fees</b>	<b>Total Fees Exempted</b>
Security Alarm	0	\$500	\$0
Security Guard	1	\$200	\$200
Mortuary Science	3	\$45	\$135
	4		\$335

**Honorably Discharged Veteran Impact**  
**FY 2022 Report to the Legislature**  
*(Under Section 503 of 2021 PA 87)*

**Corporations, Securities and Commercial Licensing**  
*Licensing Division*

(c) We use formula Average time to review application x hourly wage x 1.82: 1 hour X \$32.30 X 1.82 = \$58.78 per application. In 2021, 1 application for Security Guard multiplied by \$58.78 total \$58.78. In 2021, 0 applications for Security Alarm multiplied by \$58.78 total \$0. In 2021, 3 applications for Mortuary Science multiplied by \$58.78 total \$176.34.

(d) Estimate for 2022, 2032 & 2024 by using number of applications received in 2021 for Security Guard; Security Guard – 1. Estimate for 2022, 2023 & 2024 by using number of applications received in 2021; Security Alarm – 0. Estimate for 2022, 2023 & 2024 by using number of applications received in 2021; Mortuary Science - 3.