

Legislative Analysis



CONCEALED PISTOL LICENSE RENEWAL FEES

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<http://www.house.mi.gov/hfa>

House Bill 4284 as introduced
Sponsor: Rep. Brad Paquette
Committee: Judiciary
Complete to 11-4-25

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

SUMMARY:

House Bill 4284 would amend 1927 PA 372, known as the firearm licensure act, to modify the fee structure for concealed pistol license (CPL) renewals.¹ Individuals are required to renew their CPL every five years with the county clerk or directly with the Department of State Police (MSP).

The act currently requires a \$100 fee for first-time CPL applications and a \$115 fee for CPL renewals, of which \$26 and \$36, respectively, are forwarded to county treasurers for deposit into each county's concealed pistol licensing fund established by section 5x of the act.² The remaining fee balances (\$74 for first-times and \$79 for renewals) are deposited into the general fund by the state treasurer to the credit of MSP.³ The bill would reduce the CPL renewal fee from \$115 to \$30 and newly require the state treasurer to forward the entire amount to the county treasurer, who would then be required to deposit the full balance into the county's concealed pistol licensing fund. The fee structure for first-time CPL applications would remain unchanged.

In addition, the bill would delete an obsolete provision that expired on November 30, 2018, pertaining to CPL renewal applications submitted by members of the United States Armed Forces, the United States Armed Forces Reserve, or the Michigan National Guard who are on orders to a duty station outside of the state.

MCL 28.425/

BACKGROUND:

Michigan law does not explicitly regulate the open carry (or open possession) of firearms and allows individuals with or without a license to carry a firearm in public as long as they do so openly and with lawful intent. A CPL generally allows its holder to carry a *concealed* weapon in most areas, except those specified under section 5o of the act (such as schools, hospitals, and sports arenas).⁴

¹ <https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-Act-372-of-1927>

² <https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-28-425x>

³ Prior to deposit into the general fund, MSP is required to use the fee balances from first-time CPL applications to process fingerprints and, if necessary, to reimburse the Federal Bureau of Investigation for the costs associated with processing fingerprints submitted under the act. The remaining first-time fee balances, in addition to the full state portion received from CPL renewals, are then deposited and credited to MSP.

⁴ <https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-28-425o>

FISCAL IMPACT:

House Bill 4284 could have a significant fiscal impact on MSP by eliminating fee revenue collected by the department from CPL renewal applications. In FY 2023-24, MSP reported a total of 171,655 CPL applications (processed either directly by the department or by county clerks) and CPL fee revenues totaling approximately \$13.2 million.

While CPL fee revenues fluctuate due to a variety of factors that are difficult to predict with certainty, including the number of applications in a given year and the timing of renewal cycles, MSP reports that CPL renewal applications account, on average, for more than half of all applications each year. Assuming, for example, that 60% (102,993) of FY 2023-24 applications were renewals and that each renewal application yields \$79 of state revenue, the total renewal revenue would be approximately \$8.1 million (i.e., $102,993 \times \$79 \approx \8.1 million). MSP has indicated that eliminating these revenues without a supplemental funding source would make it impossible for the department to maintain the statutorily required CPL database, as well as significantly inhibit the maintenance of the various systems that the database relies on.

The bill could also have a moderate fiscal impact on counties by reducing the amount of CPL renewal fee revenue collected by county clerks from \$36 to \$30 per application. Pursuant to section 5x of the act, these revenues are deposited into each county's concealed pistol licensing fund and are available for use by county clerks only for the purposes of administering the act, including for costs related to staffing, technology upgrades (including for electronic fingerprinting), office supplies, and document storage and retrieval systems. Because the extent to which counties rely on these funds to support the CPL-related functions of their clerks is not known and fee revenues vary across counties (based on the number of applications), a precise estimate of the fiscal impact to local units of government cannot be made.

Additionally, MSP collects fees electronically on behalf of counties that lack the technology to do so and then forwards the relevant portion to the county. The department has indicated that the reduction to the state's portion of CPL fee revenues described above would also result in this service being eliminated, which would likely result in some counties incurring additional (but indeterminate) costs related to putting in place new IT infrastructure or upgrading outdated systems.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.