



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bills 1208, 1209, 1211, and 1214 (as introduced 5-13-04)

Sponsor: Senator Tony Stamas (S.B. 1208)  
Senator Ron Jelinek (S.B. 1209)  
Senator Gerald Van Woerkom (S.B. 1211)  
Senator Nancy Cassis (S.B. 1214)

Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 5-18-04

### **CONTENT**

**The bills would amend various acts to require the Michigan Department of Agriculture (MDA) to do the following:**

- **Issue initial and renewal licenses and permits within six months of the date of application.**
- **Refund the application fee and reduce the applicant's next renewal application, if any, by 15%, if the Department missed the deadline.**
- **Submit to the Legislature an annual report regarding license and permit applications.**

**The licenses and permits affected apply to milk plants, gasoline dealers, livestock dealers, and pet shops.**

Specifically, beginning on the bills' effective date, and notwithstanding the license and permit fees imposed elsewhere in the amended acts, the MDA would have to issue an initial or renewal license or permit for regulated activities within six months after an applicant filed a completed application. Within 10 days after receiving an application the Department considered incomplete, the MDA would have to give the applicant written notice describing the deficiency and requesting additional information. The six-month period would be tolled (suspended) upon notification of a deficiency until the MDA received the requested information. (Under Senate Bill 1209, if the MDA requested new or additional information outside of the 10-day period after the Department received an application, those requests would not toll the 180-day period for the MDA to issue or deny a license.)

If the MDA failed to issue or deny a license or permit within the time required, it would have to return the license or permit fee and reduce the fee for the applicant's next renewal application, if any, by 15%. The Department would be prohibited from discriminating against an applicant in the processing of the application based upon the fact that the application fee was refunded or discounted.

By January 31 of each year, beginning in 2005, the MDA Director would have to submit a report to the standing committees and Appropriations subcommittees of the Senate and House of Representatives concerned with the applicable issues. The Director would have to include all of the following information in the report concerning the preceding calendar year:

- The number of initial and renewal applications the MDA received and completed within the six-month time period.
- The number of applications requiring a request for additional information.
- The average time for an applicant to respond to a request for additional information.
- The number of applications rejected, categorized by reason for rejection.
- The amount of application fees returned to licensees and permittees.
- The number of applications not issued within the six-month period.
- The average processing time for initial and renewal applications granted after the six-month period.

The attached table lists the acts that the bills would amend, the permits and licensees in question, the license or permit fees, and the revenue generated from the fees.

Proposed MCL 288.503a (S.B. 1208)  
MCL 290.646 & 290.649i (S.B. 1209)  
287.123 (S.B. 1211)  
287.334 (S.B. 1214)

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bills could result in a reduction in State revenue associated with the requirement for the Department to issue a license or permit within six months. A failure by the Department to meet the stated timeframe would result in a refund of the license or permit fee paid by the applicant for the current license or permit period. Further, future revenue could be reduced as a result of the 15% license or permit fee discount that would apply to the next license or permit renewal, if the Department failed to meet the six-month timeframe in the prior licensing period.

At this time, it is unknown how many, if any, license or permit applications would not be renewed within the six-month period. The maximum amount of lost revenue to the State would be equal to the total revenue generated by each license or permit in a given year, assuming the Department did not meet the deadline for any of the license or permit applications. The amount of estimated revenue generated by each fee under the bills is contained in the attached table. (These are fiscal year (FY) 2003-04 revenue estimates and the actual fee revenue generated in any given year depends on the number of individuals applying for a license or permit and whether the license or permit is issued by the Department.)

The bills could result in administrative costs to the State if the Department had to hire additional staff to meet the new 10-day application review process or the six-month approval timeframe for license or permit applications. The average annual cost of a full-time classified employee is \$67,400.

Fiscal Analyst: Craig Thiel

Bill No.	Act	License or Permit	# of Licensees	\$ Estimate FY '04
1208	Grade A Milk Law	1. Milk plant \$175/yr. + \$5 or \$15/farm 2. Receiving station \$50/yr. 3. Transfer station \$50/yr. 4. Milk tank truck cleaning facility \$50/yr. 5. Milk transportation company \$20/yr. 6. Milk tank truck \$10/yr. 7. Distributor of finished grade A milk products \$50/yr. 8. Single service containers \$50/yr. 9. Hauler/sampler \$40/2 yrs.	1. 28 plants 2. 3. } 12 4. 5. 123 6. 516 7. 12 8. 4 9. 682	1. \$17,500 2. 3. } \$600 4. 5. \$2,460 6. \$5,160 7. \$600 8. \$200 9. \$13,640
1209	Motor Fuels Quality Act	Gasoline distributor or retailer \$100/yr. Dispensing facility	5,000	\$500,000
1211	Public Act 284 of 1931	Livestock broker, dealer, or agent \$50/yr.	300	\$15,000
1214	Public Act 287 of 1969	Pet shop \$200 initial/\$100 renewal (annual)	180	\$18,000

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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.