



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1209 (Substitute S-1 as reported)

Sponsor: Senator Ron Jelinek

Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the Motor Fuels Quality Act to require the Michigan Department of Agriculture to do the following:

- Issue initial and renewal licenses for gasoline distributors and dealers, and permits for dispensing facilities, within 120 days after an applicant filed a "completed application" (as defined in the bill).
- Notify the applicant in writing, or make information electronically available, within 40 days after receiving an incomplete application, describing the deficiency and requesting additional information.
- Refund the license fee and reduce the fee for the applicant's next renewal application, if any, by 15% if the Department missed the deadline.
- Report to the Legislature by December 1 each year, beginning in 2005, regarding the number of applications received and completed within the 120-day time period; the number denied; the number of "applications" not issued within the 120-day period; and the amount of money returned to applicants.

MCL 290.646 & 290.649i

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill could result in a reduction in State revenue associated with the requirement for the Department to issue a license within 120 days.

At this time, it is unknown how many, if any, license applications would not be renewed within the stated time frame. The maximum amount of lost revenue to the State would be equal to the total revenue generated by the \$100 annual license fee in a given year, assuming the Department did not meet the deadline for any of the license applications. It is estimated that the Department will receive about \$500,000 in license fee revenue in FY 2003-04 under the Act. (The actual fee revenue generated in any given year will depend on the number of individuals applying for a license and whether the license is issued by the Department.) Future revenue also could be reduced as a result of the 15% license fee discount that would apply to the next license renewal, if the Department failed to meet the deadline in the prior licensing period.

The bill could result in administrative costs to the State if the Department had to hire additional staff to meet the new 40-day application review process or the 120-day approval time frame. The average annual cost of a full-time classified employee is \$67,400.

Date Completed: 6-11-04

Fiscal Analyst: Craig Thiel

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Analysis available @ <http://www.michiganlegislature.org>

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