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BILL ANALYSIS

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House Bill 5884 (Substitute H-1 as reported with amendment)

Sponsor: Representative Joe Hune

House Committee: Agriculture and Resource Management

Senate Committee: Economic Development, Small Business and Regulatory Reform

## **CONTENT**

The bill would amend the Manufacturing Milk Law to do the following:

- Require the Michigan Department of Agriculture (MDA) to issue an initial or renewal license or permit for regulated activities within 90 days after an applicant filed a "completed application" (as defined in the bill).
- Require the MDA to notify the applicant of a deficiency in writing, or make the information electronically available, within 30 days after receiving an incomplete application.
- Toll the 90-day period if the MDA sent notice of a deficiency, until it received the requested information.
- Require the MDA to return the license or permit fee and reduce the fee by 15% for the applicant's next renewal application, if any, if it failed to comply with the required time frame.
- Require the MDA Director, beginning in 2005, to report annually by December 1 to the appropriate Senate and House committees regarding its compliance with these provisions.

The Act requires a person to have a license or permit under the Manufacturing Milk Law or the Grade A Law to produce, transport, wash milk tank trucks, process, manufacture, label, or sell manufacturing milk and dairy products, or manufacture single service containers or closures. The bill's licensure time frame would not apply to a manufacturing grade dairy farm.

Proposed MCL 288.670a

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 90 days. At this time, it is unknown how many, if any, license applications would not be issued within the stated time frame. The maximum amount of lost revenue to the State due to refunding and discounting fees would be equal to the total revenue generated by each license 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 \$2,000 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 each license and whether a license is issued by the Department.)

Date Completed: 7-1-04

Fiscal Analyst: Craig Thiel