

# SENATE BILL No. 1209

May 13, 2004, Introduced by Senator JELINEK and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to amend 1984 PA 44, entitled  
"Motor fuels quality act,"  
by amending sections 6 and 9i (MCL 290.646 and 290.649i), as  
amended by 2002 PA 13.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 6. (1) Before a distributor or retail dealer engages  
2 in transferring, selling, dispensing, or ~~the~~ offering for sale  
3 gasoline in this state, the distributor or retail dealer shall  
4 obtain a license from the department for each retail outlet  
5 operated by that person. In administering the licensing under  
6 this section, the department may attempt to coordinate ~~such~~ the  
7 licensing with the licensing applicable to gasoline administered  
8 by the department of treasury pursuant to the motor fuel tax act,  
9 2000 PA 403, MCL 207.1001 to 207.1170, and the general sales tax  
10 act, 1933 PA 167, MCL 205.51 to 205.78.

1       (2) A license expires annually on November 30 unless renewed  
2 before December 1 of each year or unless suspended, denied, or  
3 revoked by the department.

4       (3) The fee for a license is \$15.00 for each year or portion  
5 of a year through July 31, 2002, \$50.00 for each year or portion  
6 of a year through July 31, 2003, \$75.00 for each year or portion  
7 of a year through July 31, 2004, and \$100.00 beginning August 1,  
8 2004 and each year or portion of a year thereafter. A license  
9 shall not be issued or renewed until the fee and any  
10 administrative fines issued under section 10a have been paid. A  
11 hearing is not required before the refusal to issue or renew a  
12 license under this subsection. Fees collected shall be deposited  
13 in the gasoline inspection and testing fund. ~~The department~~  
14 ~~shall conduct a review of the fee structure provided by this~~  
15 ~~subsection and the status of the gasoline inspection and testing~~  
16 ~~fund in the 2003 calendar year and report its recommendations for~~  
17 ~~any change or adjustment in the fee schedule to the house and~~  
18 ~~senate transportation committees not later than January 1, 2004.~~

19       (4) An application for a license shall be made to the  
20 department upon a form furnished by the department. The  
21 completed form shall contain the information requested by the  
22 department and shall be accompanied by the fee specified in  
23 subsection (3).

24       (5) The director may suspend, deny, or revoke a license  
25 issued pursuant to this act for failure to comply with the  
26 requirements provided for in section 3, for failure to provide  
27 notice as provided in section 4, for violating section 31 of the

1 weights and measures act of 1964, 1964 PA 283, MCL 290.631, if  
2 that violation occurs at any of the licensee's retail outlets and  
3 involves the transferring, selling, dispensing, or the offering  
4 for sale of gasoline in this state, or for otherwise failing to  
5 comply with this act or a rule promulgated under this act or an  
6 order issued under this act.

7 (6) This section does not apply until June 29, 1985.

8 (7) If a person licensed under this act is convicted of a  
9 willful violation under section 31 of the weights and measures  
10 act of 1964, 1964 PA 283, MCL 290.631, any license issued  
11 pursuant to this act shall be revoked for 2 years.

12 (8) A suspension, revocation, or denial of a license of a  
13 person who is an individual shall result in the suspension,  
14 revocation, or denial of any other license held or applied for by  
15 that individual under this act. The license of a corporation,  
16 partnership, or other association shall be suspended when a  
17 license or license application of a partner, trustee, director,  
18 or officer, member, or a person exercising control of the  
19 corporation, partnership, or other association is suspended,  
20 revoked, or denied. The suspension shall remain in force until  
21 the director determines that the disability created by the  
22 suspension, revocation, or denial has been removed.

23 (9) Beginning the effective date of the amendatory act that  
24 added this subsection, the department shall issue an initial or  
25 renewal license not later than 180 days after the applicant files  
26 a completed application. If the application is considered  
27 incomplete by the department, the department shall notify the

1 applicant in writing within 10 days after receipt of the  
2 incomplete application, describing the deficiency and requesting  
3 the additional information. The 180-day period is tolled upon  
4 notification by the department of a deficiency until the date all  
5 of the information requested during the 10-day period is received  
6 by the department. Requests for new or additional information by  
7 the department that fall outside the 10-day period do not toll  
8 the 180-day period. The department shall not discriminate  
9 against an applicant in the processing of an application based on  
10 the fact that the application fee was refunded or discounted  
11 under this subsection.

12 (10) If the department does not issue or deny a license  
13 within 180 days after the receipt of a completed application, the  
14 department shall return the license fee and shall reduce the  
15 license fee for the applicant's next renewal application, if any,  
16 by 15%.

17 (11) Beginning January 31, 2005, the director of the  
18 department shall submit a report by January 31 of each year to  
19 the standing committees and appropriations subcommittees of the  
20 senate and house of representatives concerned with motor fuel  
21 quality issues. The director shall include all of the following  
22 information in the report concerning the state calendar year that  
23 ended the preceding December 31:

24 (a) The number of initial and renewal applications the  
25 department received and completed within the 180-day time period  
26 described in subsection (9).

27 (b) The number of applications requiring a request for

1 additional information.

2 (c) The average time for an applicant to respond to a request  
3 for additional information.

4 (d) The number of applications rejected, categorized by  
5 reason for rejection.

6 (e) The amount of money returned to licensees and registrants  
7 under subsection (10).

8 (f) The number of applications not issued within the 180-day  
9 period.

10 (g) The average processing time for initial and renewal  
11 licenses and registrations granted after the 180-day period.

12 (12) ~~—(9)—~~ Before a blender engages in the transferring,  
13 selling, dispensing, or offering for sale blended gasoline in  
14 this state, the blender shall register the finished product with  
15 the department and provide to the department test results as the  
16 department considers necessary. If the product does not comply  
17 with the requirements of section 3, the blender shall provide the  
18 department with a written list of the business names and  
19 addresses to whom the blended product is sold.

20 Sec. 9i. (1) A dispensing facility constructed after  
21 November 15, 1990 ~~—~~ shall obtain a dispensing permit. The fee  
22 for a dispensing permit is \$25.00 for each year or portion of a  
23 year.

24 (2) Before a dispensing permit is issued, a dispensing  
25 facility shall install an approved stage I and, if required,  
26 stage II vapor-recovery system and, in addition to the fee for  
27 the dispensing permit, shall pay a registration fee for each

1 dispensing unit located at the dispensing facility. A permit  
2 shall not be issued or renewed until all fees and administrative  
3 fines issued under section 10a are paid. A hearing shall not be  
4 required before the refusal to issue or renew a permit under this  
5 subsection.

6 (3) A dispensing permit expires annually on November 30  
7 unless renewed before December 1 of each year or unless  
8 suspended, denied, or revoked by the department. Application for  
9 a dispensing permit shall be made on a form furnished by the  
10 department. The completed form shall contain the information  
11 requested by the department and shall be accompanied by the fees  
12 specified.

13 (4) The director may suspend, deny, or revoke a dispensing  
14 permit issued pursuant to this act for failure to pay the fee  
15 required by subsection (1) or (2) ~~—~~ or for failure to comply  
16 with the requirements of sections 9a to 10c.

17 (5) A fee shall be charged to the operator of stage I and  
18 stage II vapor-recovery or gasoline-dispensing equipment for its  
19 inspection if any of the following occur:

20 (a) The inspection is a reinspection of equipment that has  
21 already been tested and found to contain a substantial defect as  
22 defined under section 9c.

23 (b) The inspection is performed at the request of the  
24 operator.

25 (6) The department shall establish the fees and expenses for  
26 special services, including the fee for an operator requested  
27 inspection or reinspection, for registrations, for training

1 courses, and for accreditation of a trainer, to provide that each  
2 fee is sufficient to cover the cost of an operator requested  
3 inspection, reinspection, registration, training, or trainer  
4 accreditation, respectively, and that the aggregate of all fees  
5 collected is sufficient to pay for all salaries and other  
6 expenses connected with the activity. The department shall  
7 review and adjust the fees at the end of each year and have all  
8 fees approved by the director before they are adopted. Fees  
9 collected under this section shall be deposited in the gasoline  
10 inspection and testing fund and reserved for conducting the  
11 vapor-recovery program.

12       (7) Beginning the effective date of the amendatory act that  
13 added this subsection, the department shall issue an initial or  
14 renewal permit not later than 180 days after the applicant files  
15 a completed application. If the application is considered  
16 incomplete by the department, the department shall notify the  
17 applicant in writing within 10 days after receipt of the  
18 incomplete application, describing the deficiency and requesting  
19 the additional information. The 180-day period is tolled upon  
20 notification by the department of a deficiency until the date all  
21 of the information requested during the 10-day period is received  
22 by the department. Requests for new or additional information by  
23 the department that fall outside the initial 10-day period do not  
24 toll the 180-day period. The department shall not discriminate  
25 against an applicant in the processing of an application based on  
26 the fact that the application fee was refunded or discounted  
27 under this subsection.

1       (8) If the department does not issue or deny a permit within  
2 180 days after the receipt of a completed application, the  
3 department shall return the permit fee and shall reduce the  
4 permit fee for the applicant's next renewal application, if any,  
5 by 15%.

6       (9) Beginning January 31, 2005, the director of the  
7 department shall submit a report by January 31 of each year to  
8 the standing committees and appropriations subcommittees of the  
9 senate and house of representatives concerned with motor fuel  
10 quality issues. The director shall include all of the following  
11 information in the report concerning the state calendar year that  
12 ended the preceding December 31:

13       (a) The number of initial and renewal applications the  
14 department received and completed within the 180-day time period  
15 described in subsection (7).

16       (b) The number of applications requiring a request for  
17 additional information.

18       (c) The average time for an applicant to respond to a request  
19 for additional information.

20       (d) The number of applications rejected, categorized by  
21 reason for rejection.

22       (e) The amount of money returned to licensees and registrants  
23 under subsection (8).

24       (f) The number of applications not issued within the 180-day  
25 period.

26       (g) The average processing time for initial and renewal  
27 permits and registrations granted after the 180-day period.