



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5879 (Substitute H-1 as reported without amendment)

Sponsor: Representative Clark Bisbee

House Committee: Commerce

Senate Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the Food Law to do the following:

- Require the Michigan Department of Agriculture (MDA) to issue an initial food establishment license within 90 days, and a renewal license within 120 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 fee and reduce the license fee by 15% for the applicant's next renewal application, if any.
- 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.

Proposed MCL 289.4116

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 an initial license within 90 days or a renewal license within 120 days. At this time, it is unknown how many, if any, license applications would not be issued or renewed within the stated timeframes. The maximum amount of lost revenue to the State from 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 \$1,500,000 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.)

The bill could result in administrative costs to the State if the Department had to hire additional staff to meet the 90-day and 120-day approval timeframes. The average annual cost of a full-time classified employee is \$67,400.

Date Completed: 7-1-04

Fiscal Analyst: Craig Thiel