



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5897 (Substitute H-2 as reported without amendment)

Sponsor: Representative Tom Casperson

House Committee: Agriculture and Resource Management

Senate Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the Insect Pest and Plant Disease Act to do the following:

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

The Act provides for the licensure of nurseries, plant growers and plant dealers, and nursery dealers.

MCL 286.209

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 the 90 days. At this time, it is unknown how many, if any, license applications would not be issued within the stated timeframe. 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 \$460,000 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 approval time frame for license applications. The average annual cost of a full-time classified employee is \$67,400.

Date Completed: 7-1-04

Fiscal Analyst: Craig Thiel