



Senate Fiscal Agency  
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**BILL ANALYSIS**

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House Bill 5899 (Substitute H-1 as reported without amendment)

Sponsor: Representative David Farhat

House Committee: Agriculture and Resource Management

Senate Committee: Economic Development, Small Business and Regulatory Reform

**CONTENT**

The bill would amend the Grain Dealers Act to do the following:

- Require the Michigan Department of Agriculture (MDA) to give a license applicant written or electronic notice of a deficiency within 30 days after receiving an incomplete application.
- Toll the 30-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 fee by 15% for the applicant's next renewal application, if any, if the Director failed to issue or deny a license within 30 days after receiving a complete application.
- Require the MDA Director, beginning in 2005, to report annually by December 1 to the appropriate Senate and House committees regarding compliance with these provisions.

The Act requires the MDA to issue or deny a license within 30 days after the MDA receives a complete application from an applicant. The bill would refer to an initial or renewal license.

MCL 285.67

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 30 days. At this time, it is unknown how many, if any, license applications would not be issued or renewed within the stated time frame. The maximum amount of lost revenue to the State from refunding and discounting fees would be equal to the total revenue generated 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 \$67,000 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.)

Date Completed: 7-1-04

Fiscal Analyst: Craig Thiel