

**SUBSTITUTE FOR
HOUSE BILL NO. 5899**

A bill to amend 1939 PA 141, entitled
"Grain dealers act,"
by amending section 7 (MCL 285.67), as amended by 2002 PA 80.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) A grain dealer shall file an application for a
2 new license or for renewal or amendment of a license with the
3 department. The department may determine the time when an
4 application is filed and the form of the application. A complete
5 application shall include all of the following:

6 (a) The name and ownership interest of each owner,
7 stockholder, member, or partner of the grain dealer who owns at
8 least 5% of the shares, other than publicly traded shares, or
9 other ownership interests of the grain dealer, or for a grain
10 dealer described in section 9(3), at least 5% of the shares,
11 other than publicly traded shares, or other ownership interests

1 of the parent corporation.

2 (b) The location and storage capacity of each facility of the
3 grain dealer.

4 (c) Proof of insurance for all farm produce stored at each
5 facility of the grain dealer.

6 (d) A statement that none of the events described in section
7 10 have occurred within the 5 years preceding the date of the
8 license application, or if any of those events have occurred, a
9 description of those events.

10 (e) A statement of the total bushels of farm produce handled
11 by the grain dealer during the grain dealer's most recent
12 completed fiscal year.

13 (f) If the grain dealer's most recent completed fiscal year
14 was for a period of less than 12 months or the grain dealer
15 materially changed its farm produce handling practices in that
16 fiscal year, a projection of the total bushels of farm produce
17 the grain dealer expects to handle in the current fiscal year.

18 (g) Copies of all warehouse receipt forms, price later
19 agreement forms, and acknowledgment forms used by the grain
20 dealer.

21 (h) Copies of all of the grain dealer's facility lease
22 agreements and bin charts.

23 (i) If the grain dealer does not maintain an office in this
24 state and does not have a resident agent in this state, the
25 application shall include a written appointment of a statutory
26 agent upon whom process, notice, or demand may be served. The
27 statutory agent shall be an individual residing in this state or

1 a corporation whose principal place of business is located in
2 this state. If the identity or address of the statutory agent
3 changes while the application is pending or after a license is
4 issued, the grain dealer shall within 3 days file with the
5 department a written appointment of the new statutory agent or
6 written notice of the new address, as applicable.

7 ~~(2) The department shall issue or deny a license within 30~~
8 ~~days after receipt of the completed application under this~~
9 ~~section,~~

10 (j) The license fee described in section 8. ~~—, and~~

11 (k) The financial statement described in section 9.

12 (2) If an application described in subsection (1) is
13 considered incomplete by the department, the department shall
14 notify the applicant in writing or electronically within 30 days
15 after receipt of the incomplete application, describing the
16 deficiency and requesting the additional information. The 30-day
17 time period described in subsection (6) is tolled upon
18 notification by the department of a deficiency until the date the
19 requested information is received by the department. The
20 determination of the completeness of an application does not
21 operate as an approval of the application for the license and
22 does not confer eligibility of an applicant determined otherwise
23 ineligible for issuance of a license. The tolling of the 30-day
24 time period under this subsection does not allow the department
25 to otherwise delay the processing of the application, and that
26 application, upon completion, shall be placed in sequence with
27 other complete applications received at that same time.

1 (3) For a license renewal, ~~the~~ a licensee shall submit the
2 **complete** application ~~, license fee, and financial statement~~ to
3 the department at least 30 days before the expiration of the
4 current license term.

5 (4) If an application is withdrawn before a license or
6 renewal is approved, the department shall retain \$50.00 for
7 processing and return the remainder of the license fee to the
8 grain dealer.

9 (5) By submitting an application, a grain dealer consents to
10 inspection and auditing of its farm produce and financial records
11 and its operations by the department. The grain dealer shall
12 make the records available to the department in this state if the
13 department makes a request to inspect or audit the records.

14 (6) **The department shall issue or deny an initial or renewal**
15 **license within 30 days after the department receives a complete**
16 **application from an applicant.**

17 (7) If the department fails to issue or deny a license within
18 the time required by this section, the department shall return
19 the license fee and shall reduce the license fee for the
20 applicant's next renewal application, if any, by 15%. The
21 department shall not discriminate against an applicant in the
22 processing of the application based upon the fact that the
23 license fee was refunded or discounted under this subsection.

24 (8) Beginning October 1, 2005, the director of the department
25 shall submit a report by December 1 of each year to the standing
26 committees and appropriations subcommittees of the senate and
27 house of representatives concerned with agricultural issues. The

1 director shall include all of the following information in the
2 report concerning the preceding fiscal year:

3 (a) The number of initial and renewal applications the
4 department received and completed within the 30-day time period
5 described in subsection (6).

6 (b) The number of applications denied.

7 (c) The number of applicants not issued a license within the
8 30-day time period and the amount of money returned to licensees
9 and registrants under subsection (7).