

**SUBSTITUTE FOR  
SENATE BILL NO. 1209**

A bill to amend 1984 PA 44, entitled  
"Motor fuels quality act,"  
by amending sections 6 and 9i (MCL 290.646 and 290.649i), section  
6 as amended by 2002 PA 13 and section 9i as added by 1993 PA  
236.

**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

1 act, 1933 PA 167, MCL 205.51 to 205.78.

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

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

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

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

1 notice as provided in section 4, for violating section 31 of the  
2 weights and measures act of 1964, 1964 PA 283, MCL 290.631, if  
3 that violation occurs at any of the licensee's retail outlets and  
4 involves the transferring, selling, dispensing, or the offering  
5 for sale of gasoline in this state, or for otherwise failing to  
6 comply with this act or a rule promulgated under this act or an  
7 order issued under this act.

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

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

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

24 (9) **Except as otherwise provided in subsection (3), beginning**  
25 **on the effective date of the amendatory act that added this**  
26 **subsection, the department shall issue an initial or renewal**  
27 **license not later than 120 days after the applicant files a**

1 completed application. If the application is considered  
2 incomplete by the department, the department shall notify the  
3 applicant in writing or make notification electronically  
4 available within 40 days after receipt of the incomplete  
5 application, describing the deficiency and requesting the  
6 additional information. The 120-day period is tolled upon  
7 notification by the department of a deficiency until the date all  
8 of the information requested during the 40-day period is received  
9 by the department. Requests for new or additional information by  
10 the department that fall outside the 40-day period do not toll  
11 the 120-day period. The determination of the completeness of an  
12 application does not operate as an approval of the application  
13 for the license and does not confer eligibility of an applicant  
14 determined otherwise ineligible for issuance of a license.

15 (10) If the department does not issue or deny a license  
16 within 120 days after the receipt of a completed application, the  
17 department shall return the license fee and shall reduce the  
18 license fee for the applicant's next renewal application, if any,  
19 by 15%. The failure to issue a license within the time required  
20 under this subsection does not allow the department to otherwise  
21 delay the processing of the application, and that application,  
22 upon completion, shall be placed in sequence with other completed  
23 applications received at that same time. The department shall  
24 not discriminate against an applicant in the processing of an  
25 application based on the fact that the application fee was  
26 refunded or discounted under this subsection.

27 (11) Beginning October 1, 2005, the director of the

1 department shall submit a report by December 1 of each year to  
2 the standing committees and appropriations subcommittees of the  
3 senate and house of representatives concerned with motor fuel  
4 quality issues. The director shall include all of the following  
5 information in the report concerning the preceding fiscal year:

6 (a) The number of initial and renewal applications the  
7 department received and completed within the 120-day time period  
8 described in subsection (9).

9 (b) The number of applications denied.

10 (c) The number of applications not issued within the 120-day  
11 period and the amount of money returned to licensees and  
12 registrants under subsection (10).

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

21 (13) As used in this section, "completed application" means  
22 an application complete on its face and submitted with any  
23 applicable licensing fees as well as any other information,  
24 records, approval, security, or similar item required by law or  
25 rule from a local unit of government, a federal agency, or a  
26 private entity but not from another department or agency of the  
27 state of Michigan.

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

5           (2) Before a dispensing permit is issued, a dispensing  
6 facility shall install an approved stage I and, if required,  
7 stage II vapor-recovery system and, in addition to the fee for  
8 the dispensing permit, shall pay a registration fee for each  
9 dispensing unit located at the dispensing facility. A permit  
10 shall not be issued or renewed until all fees and administrative  
11 fines issued under section 10a are paid. A hearing shall not be  
12 required before the refusal to issue or renew a permit under this  
13 subsection.

14           (3) A dispensing permit expires annually on November 30  
15 unless renewed before December 1 of each year or unless  
16 suspended, denied, or revoked by the department. Application for  
17 a dispensing permit shall be made on a form furnished by the  
18 department. The completed form shall contain the information  
19 requested by the department and shall be accompanied by the fees  
20 specified.

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

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

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

4 (b) The inspection is performed at the request of the  
5 operator.

6 (6) The department shall establish the fees and expenses for  
7 special services, including the fee for an operator requested  
8 inspection or reinspection, for registrations, for training  
9 courses, and for accreditation of a trainer, to provide that each  
10 fee is sufficient to cover the cost of an operator requested  
11 inspection, reinspection, registration, training, or trainer  
12 accreditation, respectively, and that the aggregate of all fees  
13 collected is sufficient to pay for all salaries and other  
14 expenses connected with the activity. The department shall  
15 review and adjust the fees at the end of each year and have all  
16 fees approved by the director before they are adopted. Fees  
17 collected under this section shall be deposited in the gasoline  
18 inspection and testing fund and reserved for conducting the  
19 vapor-recovery program.

20 (7) **Subject to subsection (2) and beginning on the effective**  
21 **date of the amendatory act that added this subsection, the**  
22 **department shall issue an initial or renewal permit not later**  
23 **than 120 days after the applicant files a completed application.**  
24 **If the application is considered incomplete by the department,**  
25 **the department shall notify the applicant in writing or make**  
26 **notification electronically available within 40 days after**  
27 **receipt of the incomplete application, describing the deficiency**

1 and requesting the additional information. The 120-day period is  
2 tolled upon notification by the department of a deficiency until  
3 the date all of the information requested during the 40-day  
4 period is received by the department. The determination of the  
5 completeness of an application does not operate as an approval of  
6 the application for the permit and does not confer eligibility of  
7 an applicant determined otherwise ineligible for issuance of a  
8 permit. Requests for new or additional information by the  
9 department that fall outside the initial 40-day period do not  
10 toll the 120-day period.

11 (8) If the department does not issue or deny a permit within  
12 120 days after the receipt of a completed application, the  
13 department shall return the permit fee and shall reduce the  
14 permit fee for the applicant's next renewal application, if any,  
15 by 15%. The failure to issue a permit within the time required  
16 under this subsection does not allow the department to otherwise  
17 delay the processing of the application, and that application,  
18 upon completion, shall be placed in sequence with other completed  
19 applications received at that same time. The department shall  
20 not discriminate against an applicant in the processing of an  
21 application based on the fact that the application fee was  
22 refunded or discounted under this subsection.

23 (9) Beginning October 1, 2005, the director of the department  
24 shall submit a report by December 1 of each year to the standing  
25 committees and appropriations subcommittees of the senate and  
26 house of representatives concerned with motor fuel quality  
27 issues. The director shall include all of the following

1 information in the report concerning the preceding fiscal year:

2 (a) The number of initial and renewal applications the  
3 department received and completed within the 120-day time period  
4 described in subsection (7).

5 (b) The number of applications denied.

6 (c) The number of applications not issued within the 120-day  
7 period and the amount of money returned to permittees under  
8 subsection (8).

9 (10) As used in this section, "completed application" means  
10 an application complete on its face and submitted with any  
11 applicable permitting fees as well as any other information,  
12 records, approval, security, or similar item required by law or  
13 rule from a local unit of government, a federal agency, or a  
14 private entity but not from another department or agency of the  
15 state of Michigan.