

# HOUSE BILL No. 5899

May 12, 2004, Introduced by Reps. Farhat, Richardville, Shackleton, Stahl, Voorhees, Amos, Palsrok, Taub, Meyer, LaJoy, Garfield, Nitz, DeRoche, Milosch, Pumford, Hummel, Steil, Koetje, Bisbee, Hune, Tabor, Shaffer, DeRossett, Ehardt, Gaffney, Newell, Caswell, Walker, Moolenaar, Acciavatti, Huizenga, Kooiman, Caul, Hoogendyk, Nofs and Sheen and referred to the Committee on Agriculture and Resource Management.

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~~ **complete** application under  
9 this section, license fee described in section 8, and financial  
10 statement described in section 9.

11 (3) For a license renewal, the licensee shall submit the  
12 **complete** application, license fee, and financial statement to the  
13 department at least 30 days before the expiration of the current  
14 license term.

15 (4) If an application is withdrawn before a license or  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

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

24 (6) **If the department does not issue or deny a license within**  
25 **the 30-day time period described in subsection (2), the**  
26 **department shall return the grain dealer's license fee, and shall**  
27 **reduce the license fee for the grain dealer's next renewal**

1 application, if any, by 15%.

2 (7) Beginning January 31, 2005, the director of the  
3 department shall submit a report by January 31 of each year to  
4 the standing committees and appropriations subcommittees of the  
5 senate and house of representatives concerned with agricultural  
6 issues. The director shall include all of the following  
7 information in the report concerning the preceding calendar  
8 year:

9 (a) The number of new and renewal license applications the  
10 department processed within the 30-day time period described in  
11 subsection (2) and the number of applications the department did  
12 not process within that time period.

13 (b) The number of new and renewal license applications the  
14 department denied, categorized by reason for denial.

15 (c) The amount of money returned to grain dealers under  
16 subsection (6).