

Legislative Analysis



LOCAL FOOD SERVICE LICENSE FEE FOR NONPROFIT ORGANIZATIONS

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House Bill 5992

Sponsor: Rep. Richard Ball

Committee: Agriculture

Complete to 5-27-08

A SUMMARY OF HOUSE BILL 5992 AS INTRODUCED 4-16-08

Under Michigan's Food Law, the Department of Agriculture delegates the authority and responsibility for enforcing food service establishment requirements to local health departments that meet specific program criteria. An applicant for a food service establishment license must pay certain fees to the local health department, along with an additional state license fee. (Both the local and state portions are paid to the local health department, which, in turn, remits the state portion to be credited to the new Dairy and Food Safety Fund.) Among other thing, the recent update of the Food Law, Public Act 113 of 2007, raised the state license fee for most applicants. However, under Section 3119(4) of the Food Law, charitable, religious, fraternal, service, civil, or other non-profit organizations with tax exempt status under Section 501(c)(3) of the Internal Revenue Code remain exempt from having to pay the additional state license fee (except for a \$3 vending machine location fee).

House Bill 5992 would specify that the provision exempting eligible nonprofit organizations from the additional *state* license fee does not limit the ability of the governing board of a local health department or authority "to fix, revoke, or amend" the fee paid to the local health department "as further authorized and described under Section 2444 of the Public Health code, MCL 333.2444." The apparent effect of this language would be to make clear that the governing body of a local health department has the authority to decide whether a nonprofit organization must pay the *local* fee, and, if so, in what amount.

MCL 289.3119

FISCAL IMPACT:

A fiscal analysis is in process.

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