

Legislative Analysis



FOOD LAW: STATE FEES PAID BY SCHOOLS; FEE-SETTING AUTHORITY OF HEALTH DEPARTMENTS

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House Bill 5992 (Substitute H-1)

Sponsor: Rep. Richard Ball

Committee: Agriculture

Complete to 6-26-08

A SUMMARY OF HOUSE BILL 5992 AS REPORTED FROM COMMITTEE 5-27-08

Under the Food Law, local health departments that meet specified program criteria have the responsibility for enforcing food service establishment requirements. An applicant for a food service establishment license must pay certain fees to the local health department, along with an additional state license fee. 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).

As amended, House Bill 5992 would:

- Exempt *schools* along with specified nonprofit organizations with tax exempt status under Section 501(c)(3) from the *state* licensing fee.
- Specify that the governing board of a local health department or authority may "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." 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 *or school* must pay the *local* fee, and, if so, in what amount. [See also House Bill 5951 (H-3), which would set a maximum local fee that could be charged certain school kitchens.]

MCL 289.3119

FISCAL IMPACT:

A fiscal analysis is in process.

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