

Legislative Analysis



FOOD LAW OF 2000 – AMEND LICENSE FEES

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House Bill 4470 as introduced
Sponsor: Rep. Jon Hoadley
Committee: Appropriations
Complete to 4-20-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4470 would amend the Food Law of 2000 (Public Act 92 of 2000) to increase certain food establishment license fees, as well as increasing the certification-of-free-sale fee. Revenue from these fees is credited to the Dairy and Food Safety Fund, a state-restricted fund which is used to, among other things, support Michigan Department of Agriculture and Rural Development (MDARD) administration of the Food Law of 2000, and more specifically, MDARD's food safety and quality assurance programs.

The bill would increase fees each year over a three-year period beginning in 2015. The revised fee schedule would be as shown in the table below.

Service/License ⁽¹⁾	Current Law	2015 ⁽³⁾	2016	After 2016
Free Sale Letter ⁽²⁾	\$25	\$60	\$60	\$60
Retail Food Establishment Grocery	\$67	\$134	\$160	\$183
Extended Retail Food Establishment	\$172	\$344	\$400	\$468
Food Processor	\$172	\$344	\$400	\$468
Limited Food Processor	\$67	\$134	\$160	\$183
Mobile Food Establishment	\$172	\$183	\$186	\$189
Temporary Food Establishment	\$25	\$50	\$60	\$70
Special Transitory Food Unit	\$135	\$150	\$153	\$156
Mobile Food Establishment Commissary	\$172	\$183	\$186	\$189
Food Warehouse	\$67	\$134	\$160	\$183
⁽¹⁾ The various licenses shown in this table are defined in the act. ⁽²⁾ The fee for a "free sale letter" is found in Section 2125 of the act/bill. The other license fees are found in Section 4111 of the act/bill. ⁽³⁾ The bill indicates that increased fees will be "for 2015," "for 2016," and "for any subsequent year." However, almost all 2015 license renewals will have been made by April 30, 2015 – prior to enactment of the bill.				

Late fees – Under Section 4109, food establishment licenses, other than a license for temporary food establishments, expire on April 30 of each year, and Section 4113 provides a late fee for renewal applications postmarked of delivered on or after May 1 of each year.

House Bill 4470 would impose a late fee of \$150.00. The current late fee is \$10.00 for each business day the application renewal is late. The current late fee applies to both renewal and new applications.

Technical change - The bill also amends Section 2111 of the act to reference administrative rules promulgated under the act. This appears to be simply a technical change to make Section 2111 consistent with other sections of the act.

FISCAL IMPACT:

According to information provided by MDARD, there are currently a total of 19,527 food establishment licenses and 2,500 certificate of free sale letters. MDARD indicated that related fees currently bring in approximately \$1,560,000 in revenue for credit to the Dairy and Food Safety Fund. The department indicates that the fee increases proposed in the bill would increase fee revenue by approximately \$933,000 in the first year of implementation, by approximately \$1.7 million (as compared to the current year baseline) in the second year, and approximately \$2.5 million in 2017 (as compared to the current year baseline). This additional revenue would be used to support the department's food safety and quality assurance program activities.

Note that the bill as introduced indicates that increased fees will be "for 2015," "for 2016," and "for any subsequent year." However, almost all 2015 license renewals will have been made by April 30, 2015 – prior to enactment of the bill. Thus the bill would have almost no impact on license renewals made in 2015. It is our understanding that a substitute will be offered to change the date references so that the first year of implementation would be 2016, (not 2015), and the second year, 2017, (not 2016)

With the exception of the special transitory food unit licensing fee, which was increased from \$117.00 to \$135.00 in 2007, food establishment licensing fees have not been increased since enactment of the Food Law in 2000.

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