

HOUSE BILL No. 6003

May 15, 2018, Introduced by Rep. Allor and referred to the Committee on Oversight.

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 2016 PA 466 and section 9i as amended by 2006 PA 104.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) Before a distributor or retail dealer engages in
2 transferring, selling, dispensing, or offering for sale gasoline,
3 diesel fuel, biodiesel, biodiesel blend, or hydrogen fuel in this
4 state, the distributor or retail dealer shall obtain a license from
5 the department for each retail outlet operated by that person. In
6 administering the licensing under this section, the department may
7 attempt to coordinate the licensing with the licensing applicable

1 to gasoline administered by the department of treasury pursuant to
2 the motor fuel tax act, 2000 PA 403, MCL 207.1001 to 207.1170, and
3 the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

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

7 (3) A license shall not be issued or renewed until any
8 administrative fines ~~issued~~**IMPOSED** under section 10a have been
9 paid. A hearing is not required before the refusal to issue or
10 renew a license under this subsection.

11 (4) An application for a license shall be made to the
12 department upon a form furnished by the department. The completed
13 form shall contain the information requested by the department.

14 (5) The director may suspend, deny, or revoke a license issued
15 pursuant to this act for failure to comply with the requirements
16 provided for in section 3, for failure to provide notice as
17 provided in section 4, or for violating section 31 of the weights
18 and measures act, ~~of 1964,~~ 1964 PA 283, MCL 290.631, if that
19 violation occurs at any of the licensee's retail outlets and
20 involves the transferring, selling, dispensing, or the offering for
21 sale of gasoline in this state, or for otherwise failing to comply
22 with this act or a rule promulgated under this act or an order
23 issued under this act.

24 (6) If a person licensed under this act is convicted of an
25 intentional violation under section 31 of the weights and measures
26 act, ~~of 1964,~~ 1964 PA 283, MCL 290.631, any license issued pursuant
27 to this act shall be revoked for 2 years.

1 (7) A suspension, revocation, or denial of a license of a
2 person who is an individual ~~shall result~~ **RESULTS** in the suspension,
3 revocation, or denial of any other license held or applied for by
4 that individual under this act. The license of a corporation,
5 partnership, or other association shall be suspended when a license
6 or license application of a partner, trustee, director, or officer,
7 member, or a person exercising control of the corporation,
8 partnership, or other association is suspended, revoked, or denied.
9 The suspension shall remain in force until the director determines
10 that the disability created by the suspension, revocation, or
11 denial has been removed.

12 (8) Except as otherwise provided in subsection (3), the
13 department shall issue an initial or renewal license not later than
14 120 days after the applicant files a completed application. If the
15 application is considered incomplete by the department, the
16 department shall notify the applicant in writing or make the
17 notification electronically available within 40 days after receipt
18 of the incomplete application, describing the deficiency and
19 requesting the additional information. The 120-day period is tolled
20 upon notification by the department of a deficiency until the date
21 all of the information requested during the 40-day period is
22 received by the department. Requests for new or additional
23 information by the department that fall outside the 40-day period
24 do not toll the 120-day period. The determination of the
25 completeness of an application ~~does~~ **IS** not ~~operate as~~ an approval
26 of the application for the license and does not confer eligibility
27 ~~of~~ **TO** an applicant determined otherwise ineligible for issuance of

1 a license.

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

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

11 ~~—— (b) The number of applications denied.~~

12 ~~—— (c) The number of applications not issued within the 120-day~~
13 ~~period.~~

14 **(9)** ~~(11)~~ Before a blender engages in the transferring,
15 selling, dispensing, or offering for sale of blended gasoline in
16 this state, the blender shall register the finished product with
17 the department and provide to the department test results as the
18 department considers necessary. If the product does not comply with
19 the requirements of section 3, the blender shall provide the
20 department with a written list of the business names and addresses
21 to whom the blended product is sold.

22 **(10)** ~~(12)~~ As used in this section, "completed application"
23 means an application complete on its face and submitted with any
24 other information, records, approval, security, or similar item
25 required by law or rule from a local unit of government, a federal
26 agency, or a private entity but not from another department or
27 agency of this state.

1 Sec. 9i. (1) A dispensing facility in ~~the county of Wayne,~~
2 Oakland, Macomb, Washtenaw, Livingston, Monroe, or St. Clair **COUNTY**
3 constructed after November 15, 1990 shall obtain a dispensing
4 permit. The fee for a dispensing permit is \$25.00 for each year or
5 portion of a year.

6 (2) ~~Before a dispensing permit is issued, a~~ **THE DEPARTMENT**
7 **SHALL NOT ISSUE A DISPENSING PERMIT UNLESS THE** dispensing facility
8 ~~shall install~~ **HAS INSTALLED** an approved stage I vapor-recovery
9 system and, in addition to the fee for the dispensing permit, ~~shall~~
10 ~~pay~~ **PAID** a registration fee for each dispensing unit located at the
11 dispensing facility. A permit shall not be issued or renewed until
12 all fees and administrative fines issued under section 10a are
13 paid. A hearing ~~shall~~ **IS** not ~~be~~ required before the refusal to
14 issue or renew a permit under this subsection.

15 (3) A dispensing permit expires annually on November 30 unless
16 renewed before December 1 of each year or unless suspended, denied,
17 or revoked by the department. Application for a dispensing permit
18 shall be made on a form furnished by the department. The completed
19 form shall contain the information requested by the department and
20 shall be accompanied by the fees 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 with the
24 requirements of sections 9a to 10c **OR RULES PROMULGATED THEREUNDER.**

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

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

5 (6) The department shall establish the fees and expenses for
6 special services, including the fee for an operator requested
7 inspection or reinspection, for registrations, for training
8 courses, and for accreditation of a trainer, to provide that each
9 fee is sufficient to cover the cost of ~~an operator requested~~
10 ~~inspection, reinspection, registration, training, or trainer~~
11 ~~accreditation, respectively,~~ **THE SERVICE FOR WHICH THE FEE IS**
12 **CHARGED** and that the aggregate of all fees collected is sufficient
13 to pay for all salaries and other expenses connected with the
14 activity. The department shall review and adjust the fees at the
15 end of each year and ~~have~~ **OBTAIN THE DIRECTOR'S APPROVAL OF** 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 vapor-
19 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 than
23 120 days after the applicant files a completed application. If the
24 application is considered incomplete by the department, the
25 department shall notify the applicant in writing or make
26 notification electronically available within 40 days after receipt
27 of the incomplete application, describing the deficiency and

1 requesting the additional information. The 120-day period is tolled
2 upon notification by the department of a deficiency until the date
3 all of the information requested during the 40-day period is
4 received by the department. The determination of the completeness
5 of an application ~~does~~**IS** not ~~operate as~~ an approval of the
6 application for the permit and does not confer eligibility ~~of~~**TO** an
7 applicant determined otherwise ineligible for issuance of a permit.
8 Requests for new or additional information by the department that
9 fall outside the initial 40-day period do not toll the 120-day
10 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 permit
14 fee for the applicant's next renewal application, if any, by 15%.
15 The failure to issue a permit within the time required under this
16 subsection does not allow the department to otherwise delay the
17 processing of the application, and that application, upon
18 completion, shall be placed in sequence with other completed
19 applications received at that same time. The department shall not
20 discriminate against an applicant in the processing of an
21 application based on the fact that the application fee was refunded
22 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 house~~
26 ~~of representatives concerned with motor fuel quality issues. The~~
27 ~~director shall include all of the following information in the~~

1 ~~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 **(9)** ~~(10)~~As used in this section, "completed application"
10 means 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 **THIS** state. ~~of Michigan.~~

16 Enacting section 1. This amendatory act takes effect 90 days
17 after the date it is enacted into law.