

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4513 (as reported without amendment)
Sponsor: Representative Wayne Kuipers
House Committee: Agriculture and Resource Management
Senate Committee: Farming, Agribusiness and Food Systems

Date Completed: 9-28-01

RATIONALE

In June 1999, the Senate Law Revision Task Force was established. Its purpose was to review existing State statutes and recommend the repeal or amendment of laws found to be irrelevant to life in modern-day Michigan. Among many other statutes, the Task Force found Public Act 184 of 1913 to be arcane and redundant. The Act prohibits the sale of produce within a city without a license; those wishing to obtain a license to sell produce must file an application with the State Dairy and Food Commissioner. That office, however, was absorbed into the Department of Agriculture approximately 80 years ago. It has been suggested that Public Act 184 be repealed.

CONTENT

The bill would repeal Public Act 184 of 1913, which regulates the selling of farm produce on commission. Under the Act, individuals, firms, associations, and corporations who wish to sell, receive, or offer produce on commission ("commission merchants") must apply for a license from the State Dairy and Food Commissioner. Retailers, real estate dealers, and auctioneers are exempt from the Act.

The Act establishes procedures for investigating applicants, specifies grounds for refusing applications and revoking licenses, and provides for an applicant's or licensee's right to a judicial review in the event of refusal or revocation of a license. License defrauders who impose false charges, intend to defraud or deceive, and/or fix prices are guilty of misdemeanors.

MCL 445.331-445.341

BACKGROUND

Public Act 263 of 1917 discontinued the Office of Dairy and Food Commissioner and transferred its responsibilities to a newly created Food and Drug Commissioner. Four years later, the functions of the Food and Drug Commissioner were transferred to the Department of Agriculture by Public Act 13 of 1921. That Department then was abolished and replaced by Public Act 380 of 1965, which created a new Department of Agriculture.

One recommendation from the Senate Law Revision Task Force led to the proposal of Senate Bill 1082 of 1999-2000, which would have amended Public Act 184 to reflect the eventual transfer of the powers, duties, and functions of the Dairy and Food Commissioner to the Department of Agriculture. During the discussion of that bill, which the House did not vote on, it was suggested the Legislature consider repealing the Act altogether.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Few individuals, groups, or business in Michigan today meet the definition of "commission merchant"; according to Committee testimony, only 10 people are presently licensed. In addition, according to the Department, current State and Federal contract law supercedes the Act, making it redundant and obsolete. Further, the Act applies only to commission merchants "whose principal place of business shall be located in any city in this state" (emphasis added).

Technically, there is nothing preventing a commission merchant from conducting business outside of a city, however "city" is defined by local or State law.

Finally, some people feel that repealing obsolete laws creates more respect for State law and government, and leads to better compliance and enforcement of existing statutes.

Legislative Analyst: C. Layman

FISCAL IMPACT

The bill would decrease State revenues by eliminating the licensing requirement for commission merchants. Licensing fees collected in fiscal year 1999-2000 totaled only \$210. In addition, there could be administrative savings to the Department of Agriculture associated with the work involved in processing, issuing, and tracking such licenses. These savings would be minimal due to the small number of licenses issued each year.

Fiscal Analyst: C. Thiel

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.