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**SFA****BILL ANALYSIS**

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~~House Bill 5928 (Substitute S-1 as reported)~~

Sponsor: Representative Ruth Johnson  
House Committee: Agriculture and Resource Management  
Senate Committee: Farming, Agribusiness and Food Systems

## **CONTENT**

The bill would amend the Food Law of 2000 to do the following:

- Remove a \$2.50 State license fee for a mobile food service establishment; specify that a \$117 fee for a special transitory food unit would include the current State license fee of \$30; and eliminate a \$25 yearly vending fee.
- Add that a veteran who had a waiver of a license fee under the circumstances described in Public Act 359 of 1921 (for example, holding an honorable discharge from the armed forces and/or possessing a service-connected disability) would be exempt from paying local and State licensing fees.
- Impose a fee on food service establishments if a local health department discontinued a food service sanitation program and the Michigan Department of Agriculture (MDA) performed the service instead. The fees would have to equal, as nearly as possible, half of the Department's cost of providing the service. After one year, the Department would have to collect the fees only in an amount provided by amendment of the Law, or as authorized pursuant to appropriation.
- Specify additional methods by which a food establishment could meet current disclosure and reminder requirements about raw and undercooked foods, such as posting a clearly visible placard near the customer entrance with a reminder about the dangers of consuming raw or undercooked foods.

MCL 289.1109 et al.

Legislative Analyst: Claire Layman

## **FISCAL IMPACT**

The bill would result in a loss of about \$37,000 in State license fee revenue associated with the proposed fee exemption for veterans. This revenue is used to support the Michigan Department of Agriculture's Food and Dairy Division. The exemption also would decrease local revenue by approximately \$5,000 as the provision would prevent local health departments from assessing the license fee for special transitory units. This fee is retained by local health departments, as they perform the majority of the oversight activity associated with the transitory units.

The bill would increase State revenues by allowing the State to impose a fee on food service establishments if a local health department discontinued its food service sanitation program. This would occur only in the event that the State mandated the termination of a local food service sanitation program or as a result of a voluntary termination by the local health department. The fee imposed by the Michigan Department of Agriculture would be equal to half of the Department's cost of providing that service. The other half of the MDA's cost would be borne by existing resources in the Department's annual budget. A fee imposed by the MDA would be set for a year after termination of the local food service sanitation program. Following the first year of the fee, the MDA would be required to seek amendatory language to the Food Law or authorization in an appropriations act to continue to levy a fee.

Date Completed: 5-28-02

Fiscal Analyst: Craig Thiel