

**SUBSTITUTE FOR  
HOUSE BILL NO. 5899**

A bill to amend 1939 PA 141, entitled  
"Grain dealers act,"  
by amending section 7 (MCL 285.67), as amended by 2002 PA 80.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 7. (1) A grain dealer shall file an application for a  
2 new license or for renewal or amendment of a license with the  
3 department. The department may determine the time when an  
4 application is filed and the form of the application. A complete  
5 application shall include all of the following:

6       (a) The name and ownership interest of each owner,  
7 stockholder, member, or partner of the grain dealer who owns at  
8 least 5% of the shares, other than publicly traded shares, or  
9 other ownership interests of the grain dealer, or for a grain  
10 dealer described in section 9(3), at least 5% of the shares,  
11 other than publicly traded shares, or other ownership interests

1 of the parent corporation.

2 (b) The location and storage capacity of each facility of the  
3 grain dealer.

4 (c) Proof of insurance for all farm produce stored at each  
5 facility of the grain dealer.

6 (d) A statement that none of the events described in section  
7 10 have occurred within the 5 years preceding the date of the  
8 license application, or if any of those events have occurred, a  
9 description of those events.

10 (e) A statement of the total bushels of farm produce handled  
11 by the grain dealer during the grain dealer's most recent  
12 completed fiscal year.

13 (f) If the grain dealer's most recent completed fiscal year  
14 was for a period of less than 12 months or the grain dealer  
15 materially changed its farm produce handling practices in that  
16 fiscal year, a projection of the total bushels of farm produce  
17 the grain dealer expects to handle in the current fiscal year.

18 (g) Copies of all warehouse receipt forms, price later  
19 agreement forms, and acknowledgment forms used by the grain  
20 dealer.

21 (h) Copies of all of the grain dealer's facility lease  
22 agreements and bin charts.

23 (i) If the grain dealer does not maintain an office in this  
24 state and does not have a resident agent in this state, the  
25 application shall include a written appointment of a statutory  
26 agent upon whom process, notice, or demand may be served. The  
27 statutory agent shall be an individual residing in this state or

1 a corporation whose principal place of business is located in  
2 this state. If the identity or address of the statutory agent  
3 changes while the application is pending or after a license is  
4 issued, the grain dealer shall within 3 days file with the  
5 department a written appointment of the new statutory agent or  
6 written notice of the new address, as applicable.

7 ~~(2) The department shall issue or deny a license within 30~~  
8 ~~days after receipt of the completed application under this~~  
9 ~~section,~~

10 (j) The license fee described in section 8. —, and

11 (k) The financial statement described in section 9.

12 (2) If an application described in subsection (1) is  
13 considered incomplete by the department, the department shall  
14 notify the applicant in writing or electronically within 30 days  
15 after receipt of the incomplete application, describing the  
16 deficiency and requesting the additional information. The 30-day  
17 time period described in subsection (6) is tolled upon  
18 notification by the department of a deficiency until the date the  
19 requested information is received by the department. The  
20 determination of the completeness of an application does not  
21 operate as an approval of the application for the license and  
22 does not confer eligibility of an applicant determined otherwise  
23 ineligible for issuance of a license. The tolling of the 30-day  
24 time period under this subsection does not allow the department  
25 to otherwise delay the processing of the application, and that  
26 application, upon completion, shall be placed in sequence with  
27 other complete applications received at that same time.

1       (3) For a license renewal, ~~the~~ a licensee shall submit the  
2 **complete** application ~~, license fee, and financial statement~~ to  
3 the department at least 30 days before the expiration of the  
4 current license term.

5       (4) If an application is withdrawn before a license or  
6 renewal is approved, the department shall retain \$50.00 for  
7 processing and return the remainder of the license fee to the  
8 grain dealer.

9       (5) By submitting an application, a grain dealer consents to  
10 inspection and auditing of its farm produce and financial records  
11 and its operations by the department. The grain dealer shall  
12 make the records available to the department in this state if the  
13 department makes a request to inspect or audit the records.

14       (6) The department shall issue or deny an initial or renewal  
15 license within 30 days after the department receives a complete  
16 application from an applicant.

17       (7) If the department fails to issue or deny a license within  
18 the time required by this section, the department shall return  
19 the license fee and shall reduce the license fee for the  
20 applicant's next renewal application, if any, by 15%. The  
21 department shall not discriminate against an applicant in the  
22 processing of the application based upon the fact that the  
23 license fee was refunded or discounted under this subsection.

24       (8) Beginning October 1, 2005, the director of the department  
25 shall submit a report by December 1 of each year to the standing  
26 committees and appropriations subcommittees of the senate and  
27 house of representatives concerned with agricultural issues. The

1 director shall include all of the following information in the  
2 report concerning the preceding fiscal year:

3       (a) The number of initial and renewal applications the  
4 department received and completed within the 30-day time period  
5 described in subsection (6).

6       (b) The number of applications denied.

7       (c) The number of applicants not issued a license within the  
8 30-day time period and the amount of money returned to licensees  
9 and registrants under subsection (7).