

# Legislative Analysis

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**APA: APPLICANT FOR PERMIT, ETC.  
IS PARTY IN A CONTESTED CASE**

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**House Bill 6318 (Substitute H-1)  
Sponsor: Rep. Kevin Elsenheimer  
Committee: Commerce**

**Complete to 9-20-06**

## **A SUMMARY OF HOUSE BILL 6318 AS REPORTED FROM COMMITTEE**

The bill would amend the Administrative Procedures Act to specify that in a contested case regarding an application for a "license," the applicant for that license is entitled to be a party in that contested case.

The term "license" in the act is defined to refer to "the whole or part of an agency permit, certificate, approval, registration, charter, or similar form of permission." (The term does not include a license required solely for revenue purposes or a license or registration issued under the Michigan Vehicle Code.)

MCL 24.205

### **FISCAL IMPACT:**

There is no fiscal impact on the State of Michigan or its local units of government.

### **BACKGROUND INFORMATION:**

The stated aim of the bill is to make it clear that an applicant for a state permit, registration, certificate, charter, etc. is entitled to be a party in any contested case proceeding on the application under the Administrative Procedures Act. Reportedly, applicants have not been excluded from contested case hearings, but a recent circuit court decision—since overturned on appeal—prevented a company seeking a mining permit from participating in a court challenge to state approval of the permit. The case raised concerns about the clarity of the APA. A representative from the Michigan Manufacturers Association has said:

*When manufacturers file permit applications with the state, they often have millions and even hundreds of millions of dollars at stake. We cannot think of any circumstance in which a company would not want to have the opportunity to respond to administrative or legal challenges to their applications or permits. We believe the law ought to remove any doubt about whether applicants should have standing in these situations.*

**POSITIONS:**

The Michigan Manufacturers Association presented testimony in support of the bill. (9-19-06)

The Michigan Chamber of Commerce indicated support for the bill. (9-19-06)

Legislative Analyst: Chris Couch  
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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.