



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5992 (Substitute H-1 as passed by the House)
Sponsor: Representative Richard Ball
House Committee: Agriculture
Senate Committee: Agriculture

Date Completed: 11-26-08

CONTENT

The bill would amend the Food Law to exempt a school from paying a food service establishment State license fee.

The Law requires an applicant for a food service establishment license to pay to the local health department certain required fees and an additional State license fee as follows:

- Food service establishment: \$22.
- Vending machine location: \$3.
- Temporary food service establishment: \$3.
- Mobile food establishment commissary: \$22.
- Special transitory food unit: \$35.

A charitable, religious, fraternal, service, civic, or other nonprofit organization that has tax-exempt status under Section 501(c)(3) of the Internal Revenue Code is exempt from paying the additional State license fee except for the vending machine license fee. The bill would extend that exemption to a school.

Under the bill, the provision described above would not restrict the ability of the governing board of a local health department or authority to fix, revoke, or amend fees as further authorized and described under Section 2444 of the Public Health Code.

(That section permits a local governing entity or a district board of health to fix and require the payment of fees for services authorized or required to be performed by the local health department. The local governing entity or district board may revoke, increase, or amend the fees, which may not be more than the reasonable cost of performing the service.)

MCL 289.3119

Legislative Analyst: Curtis Walker

FISCAL IMPACT

As a result of the bill, the State would forfeit revenue that schools otherwise will pay in compliance with existing law. The loss of revenue could be significant, and a more detailed analysis would be necessary in order to estimate this loss.

Fiscal Analyst: Matt Grabowski

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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.