

# SENATE BILL NO. 509

September 19, 2023, Introduced by Senator CAVANAGH and referred to the Committee of the Whole.

A bill to amend 1939 PA 141, entitled  
"Grain dealers act,"  
by amending section 7 (MCL 285.67), as amended by 2004 PA 274.

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

1           Sec. 7. (1) A grain dealer shall file an application for a new  
2 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~~**must** include all of the following:

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

8 (b) The location and storage capacity of each facility of the  
9 grain dealer.

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

12 (d) A statement that none of the events described in section  
13 10 have occurred within the 5 years preceding the date of the  
14 license application, or if any of those events have occurred, a  
15 description of those events.

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

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

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

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

28 (i) If the grain dealer does not maintain an office in this  
29 state and does not have a resident agent in this state, the

1 application ~~shall~~**must** include a written appointment of a statutory  
2 agent upon whom process, notice, or demand may be served. The  
3 statutory agent ~~shall~~**must** be an individual residing in this state  
4 or a corporation whose principal place of business is located in  
5 this state. If the identity or address of the statutory agent  
6 changes while the application is pending or after a license is  
7 issued, the grain dealer shall within 3 days file with the  
8 department a written appointment of the new statutory agent or  
9 written notice of the new address, as applicable.

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

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~~**not more**  
15 **than** 30 days after receipt of the incomplete application,  
16 describing the deficiency and requesting the additional  
17 information. The ~~30-day~~**60-day** time period described in subsection  
18 (6) is tolled upon notification by the department of a deficiency  
19 until the date the requested information is received by the  
20 department. The determination of the completeness of an application  
21 does not operate as an approval of the application for the license  
22 and does not confer eligibility of an applicant determined  
23 otherwise ineligible for issuance of a license. The tolling of the  
24 ~~30-day~~**60-day** time period under this subsection does not allow the  
25 department to otherwise delay the processing of the application,  
26 and that application, upon completion, ~~shall~~**must** be placed in  
27 sequence with other complete applications received at that same  
28 time.

29 (3) For a license renewal, a licensee shall submit the

1 complete application to the department ~~at least~~ **not less than** 30  
 2 days before the expiration of the current license term **unless the**  
 3 **department issues a temporary permit to the licensee under section**  
 4 **6.**

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

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

13 (6) The department shall issue or deny an initial or renewal  
 14 license ~~within 30~~ **not more than 60** days after the department  
 15 receives a complete application from an applicant.

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

23 (8) ~~Beginning October 1, 2005, the~~ **The** director of the  
 24 department shall submit a report by December 1 of each year to the  
 25 standing committees and appropriations subcommittees of the senate  
 26 and house of representatives concerned with agricultural issues.  
 27 The director shall include all of the following information in the  
 28 report concerning the preceding fiscal year:

29 (a) The number of initial and renewal applications the

1 department received and completed within the ~~30-day~~**60-day** time  
2 period described in subsection (6).

3 (b) The number of applications denied.

4 (c) The number of applicants not issued a license within the  
5 ~~30-day~~**60-day** time period and the amount of money returned to  
6 licensees and registrants under subsection (7).