



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



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

Senate Bill 595 (Substitute S-2 as reported)
Sponsor: Senator Gerald Van Woerkom
Committee: Agriculture

CONTENT

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

- Establish the "Dairy and Food Safety Fund", to be administered by the Michigan Department of Agriculture (MDA) and used for enforcement of the Food Law, the Grade A Milk Law, and the Manufacturing Milk Law.
- Require all license fees, penalties for violations of the Law, and certain other fees and fines to be deposited into the Dairy and Food Safety Fund, rather than the General Fund.
- Permit the MDA to charge a convenience fee to a license applicant to cover any additional costs associated with the payment method.
- Provide that any license fee paid on an initial application would be nonrefundable.
- Permit the MDA Director to refuse to issue a license to an establishment owned by a person whose food establishment license had been revoked for certain egregious violations involving adulterated food or unsanitary conditions.
- Require milk and milk products manufactured, sold, served, or prepared at a retail food establishment to be pasteurized, and allow only certain ingredients found to be safe and suitable to be added to milk or milk products.
- Revise requirements for public notices in restaurants regarding raw or undercooked meats, poultry, seafood, shellfish, or eggs.
- Permit a food establishment to include on its menu or other selection information a statement regarding the presence or absence of artificial trans fat in any food it served.
- Require seafood processors and juice processors to comply with applicable Federal regulations.
- Require a cider producer to have at least one certified employee.
- Revise the permitted ingredients in meat and sausage.
- Revise labeling requirements for ham and U.S. Department of Agriculture graded meat.

The provisions regarding a convenience fee and nonrefundable application fees would take effect January 1, 2008. All other provisions of the bill would take effect April 1, 2008.

The bill is tie-barred to House Bill 4956, which also would amend the Food Law.

MCL 289.4111 et al.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would establish the Dairy and Food Safety Fund to receive license fee revenue. Under current law, the revenue is deposited into the General Fund with those amounts credited to the MDA as a part of its appropriation. In actuality, the revenue is credited to the License and Inspection Fees Fund within the Department. The bill would codify the current practice and create a central fund for food safety-related revenue. Fines and cost collections also would be credited to the new fund rather than the General Fund. The fiscal impact of these two revenue sources cannot be determined as the number of future violations is not known.

The bill also would authorize the MDA to charge a convenience fee for costs associated with method of payment of other fees (e.g., paying in person rather than on-line). While the rate of this fee is not specified in the bill, it would have to be set at a level to cover the actual costs to the Department. As a result, there would be no fiscal impact.

Date Completed: 8-29-07

Fiscal Analyst: Debra Hollon

floor/sb595

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.