



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 774 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Joe Hune
Committee: Agriculture

CONTENT

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

- Include in the term "food establishment" a vending machine location.
- Exclude from the definition of "food service establishment" a vending machine location, but provide that a machine location would be considered part of a food service establishment if it were on the establishment's premises.
- Exclude a vending machine location from a requirement that a local health department inspect a proposed or existing food service establishment before making a recommendation on the issuance of a license.
- Eliminate a \$3 vending machine location license fee.
- Specify that a vending machine location would not have to be separately licensed if prepackaged food were transported from a food establishment to one or more vending machine locations by the establishment's employees.
- Establish a license fee for a vending company base location, and require an additional fee depending on the number of vending machine locations operated.

The bill would take effect 90 days after its enactment.

MCL 289.1107 et al.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have a fiscal impact on local public health agencies and the Michigan Department of Agriculture and Rural Development (MDARD), as it would remove a requirement that local public health agencies (as delegated by the Department) inspect food-oriented vending machines in the State and would shift that responsibility to MDARD as part of its responsibility to inspect food establishments.

To fund the MDARD inspections, the bill would supplant locally established licensing charges for vending machine inspections with a statewide annual license fee, based upon the number of vending machine locations owned by a company: for 1 to 20 locations, \$500; for 21 to 50 locations, \$750; for 51 to 75 locations, \$2,000; and for more than 75 locations, \$3,000. According to MDARD, the annual revenue from these license payments would amount to approximately \$125,000 and would match the actual costs of the Department's added inspection duties under the bill, allowing the Department to hire a technical employee and pay for other associated costs of performing the inspections.

Date Completed: 5-31-16

Fiscal Analyst: Bruce Baker