

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 6256 (Substitute H-2 as reported without amendment)
Sponsor: Representative Larry Julian
House Committee: Agriculture and Resource Management
Senate Committee: Farming, Agribusiness and Food Systems

CONTENT

The bill would amend the Agricultural Commodities Marketing Act to do the following:

- Allow a marketing program to provide for assessments on agricultural commodity inputs, in addition to agricultural commodities (as currently allowed).
- Authorize a commodity committee to reapportion the number of committee members and/or districts; and reduce the maximum size of a committee from 15 to 13.
- Require a committee's expenditures to be audited annually by a certified public accountant (instead of by the State Auditor General or a CPA).
- Provide that a committee with annual assets of \$50,000 or less would have to be audited twice between referenda and have a financial review conducted in those years in which it was not audited (instead of being audited annually).
- Provide that assessments held by a processor, distributor, or handler for over 92 days would have to be deposited in an interest-bearing escrow account; and require assessments to be remitted at least quarterly to the appropriate committee.
- Increase the maximum per-day fine for violations from \$100 to \$1,000, and specify that a violation would be a misdemeanor.
- Provide that, if a marketing program were involved in a Federal commodity checkoff program that was suspended or terminated, the program would have to conduct a referendum of producers within 18 months.
- Exempt the names and addresses of producers from public disclosure.
- Repeal administrative rules for a general marketing program.

MCL 290.625 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have a potential fiscal impact on the State and no fiscal impact on local government. It is expected that the assessments collected by a commodity board would increase as a result of allowing assessments to be collected on agricultural commodity inputs. Total assessments presently amount to approximately \$13.5 million annually. This revenue is collected, retained, and distributed by the private commodity boards. Currently, there are 15 commodity groups organized under the Act or separate legislation.

By allowing all audits of commodity groups to be conducted by a certified public accountant, instead of the State Auditor General, the bill could result in decreased State expenditures to the extent that these are State-subsidized audits.

The increase in misdemeanor fines could result in an increase in revenue to local libraries.

Date Completed: 12-6-02

Fiscal Analyst: Craig Thiel