

# Legislative Analysis

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## **AGRICULTURAL PRESERVATION FUND: ADMINISTRATIVE CAP**

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**Senate Bill 1014, S-1**  
**Sponsor: Senator Bob Emerson**  
**Committee: Appropriations**  
**First Analysis (March 11, 2004)**

***FISCAL IMPACT:*** This bill would increase the amount that the Department of Agriculture can spend for administrative purposes from the Agricultural Preservation Fund from \$700,000 to \$900,000.

***THE APPARENT PROBLEM:*** Total appropriations for FY 2003-04 from the Agricultural Preservation fund for administrative costs exceed the statutory cap.

***THE CONTENT OF THE BILL:*** This bill would increase the amount that the Department of Agriculture can spend for administrative purposes from the Agricultural Preservation Fund from \$700,000 to \$900,000. If deposits into the fund exceed \$11,250,000, up to 8% of the deposits may be expended for administrative costs.

***BACKGROUND INFORMATION:*** The Agricultural Preservation Fund was established to provide funds for the purchase of farmland development rights or to acquire agricultural conservation easements.

***FISCAL INFORMATION:*** The enacted Department of Agriculture budget for FY 2003-04 included \$727,300 from the Agricultural Preservation Fund for administrative costs. The Executive Order reductions (EO2003-23) cut \$170,000 from the Farmland and Open Space program with the expectation that these funds would be replaced by Agriculture Preservation Fund revenue. The FY 2003-04 supplemental appropriation (PA 237 of 2003) provided this fund shift. Consequently, the total amount appropriated for department administrative expenses from the Agricultural Preservation Fund, \$837,300, exceeds the \$700,000 cap in the existing statute. This bill would allow the department to spend the full amount appropriated.

There would be no fiscal impact on local governmental units.

Fiscal Analyst: Kirk Lindquist

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