Senate Bill 1167 (Substitute S-2 as reported by the Committee of the Whole)
Senate Bill 1168 (Substitute S-2 as reported by the Committee of the Whole)
Senate Bill 1169 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Ron Jelinek (S.B. 1167)
           Senator Michelle A. McManus (S.B. 1168)
           Senator Cameron S. Brown (S.B. 1169)
Committee: Agriculture, Forestry and Tourism

CONTENT

The bills would amend the Value-Added Act to do the following:

-- Require the Director of the Michigan Department of Agriculture (MDA) to convene an agricultural value-added commercialization roundtable to discuss the commercialization of agricultural products, processes, and services.
-- Require the roundtable to meet twice a year, including at least once in a rural community; and allow the public to address the roundtable on pertinent issues.
-- Repeal the roundtable provisions two years after the effective date of Senate Bill 1167 (S-2).
-- Provide for the Agricultural Development Fund to be used for loans and loan guarantees as well as grants, and identify the Fund as a revolving fund.
-- Specify that not more than 50% of the money appropriated in fiscal year 2005-06 from the 21st Century Jobs Trust Fund could be used for grants, and require the remainder to be used for loans and loan guarantees.
-- Require that at least 50% of the money in the Fund be awarded as grants, loans, and loan guarantees for specialty crops or products derived from those crops.
-- Limit the maximum grant from the Fund to $250,000 and the maximum loan or loan guarantee to $500,000.
-- Require the Agriculture Commission to establish a low-interest loan program in cooperation with Michigan financial institutions, as part of the grant, loan, and guarantee program.
-- Reduce the maximum percentage of the Fund that may be used for administrative purposes from 5% to 4%.
-- Require the MDA to establish a competitive process for awarding grants and loans, which would have to provide for a cash match of at least 10% of a grant by the applicant or other repayment guarantee with a dedicated funding source.
-- Require a Joint Evaluation Committee and the Agriculture Commission to identify suitable projects for funding, according to specified criteria.
-- Require a member of the Joint Evaluation Committee or the Agriculture Commission to declare any conflict of interest related to a matter before the Department, and to refrain from participating in the discussion, deliberation, or voting on that matter.
-- Specify that a recipient of a grant or loan under the program could not use the money to develop a casino or other gaming enterprise.

The three bills are tie-barred to each other.

Proposed MCL 285.302b (S.B. 1167)
MCL 285.302 (S.B. 1168)
Proposed MCL 285.302a (S.B. 1169)

Legislative Analyst: Curtis Walker

FISCAL IMPACT

Senate Bills 1167 (S-2) and 1168 (S-2) would have no fiscal impact on State or local government.

Senate Bill 1169 (S-2) would have no direct fiscal impact on State government. The bill would change how money in the Agricultural Development Fund may be spent. Current law allows up to 5% of the Fund to be used for administrative purposes. Under the bill, up to 4% of the Fund could be used for these purposes.

Current law requires the Fund to be used to provide grants. Under the bill, not more than 50% of the money appropriated to the Fund in fiscal year 2005-06 from the 21st Century Jobs Trust Fund could be used for grants. The maximum grant would be $250,000. The bill would allow the Fund to be used to provide loans of up to $500,000. Of the total amount of funding, not less than 50% would have to be awarded as grants and loans for specialty crops.

Date Completed: 5-4-06   Fiscal Analyst: Bruce Baker