



Senate Fiscal Agency  
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## BILL ANALYSIS

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Senate Bill 225 (Substitute S-2 as passed by the Senate)

Sponsor: Senator Cameron S. Brown

Committee: Agriculture, Forestry and Tourism

Date Completed: 4-28-05

### **RATIONALE**

When food processing is included, agriculture is said to be Michigan's second largest industry, behind manufacturing. The tourism industry also is considered increasingly important to Michigan's economic health and diversification. Combining agriculture and tourism produces an emerging sector of the economy called agricultural tourism, or "ag tourism". Ag tourism provides opportunities for members of the agricultural industry to market their products and operations to the public through activities that are often recreational. Common venues for ag tourism are "u-pick" farms, cider mills, wineries, and farmer's markets. Although ag tourism appears to be a growing industry, it evidently faces a number of barriers. Zoning restrictions, in particular, are cited as a hindrance to the success of ag tourism.

To address these concerns, it has been suggested that a body be created within the Michigan Department of Agriculture and charged with reviewing and making recommendations regarding ag tourism issues.

### **CONTENT**

**The bill would create a new act to establish the "Agricultural Tourism Zoning Advisory Commission" and require it to report to the Governor and the Legislature on issues concerning agricultural tourism.** The bill would be repealed one year and 90 days after its effective date.

The bill would define "agricultural tourism" as the practice of visiting an agribusiness, horticultural, or agricultural operation, including a farm or winery or a companion animal or livestock show, for the purpose of

recreation, education, or active involvement in the operation, other than as a contractor or employee of the operation.

### **Commission Appointment**

The Commission would be created within the Michigan Department of Agriculture (MDA) and would consist of the following members appointed by the MDA Director:

- Three individuals representing agricultural tourism enterprises.
- Two individuals representing local government.
- One individual representing the Travel Michigan division of the Michigan Economic Development Corporation.
- One individual representing the MDA.

The members would have to be appointed within 60 days after the bill's effective date, and would serve for the life of the Commission. If a vacancy occurred, an appointment to fill it would have to be made in the same manner as the original appointment. The MDA Director could remove a member for incompetency, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.

Commission members would have to serve without compensation but could be reimbursed for their actual and necessary expenses incurred in the performance of their official duties.

The Director would have to call the first meeting of the Commission, at which it would elect a chairperson and other officers it considered necessary or appropriate. After the first meeting, the Commission

would have to meet at least quarterly, or chairperson or if requested by three or more members. The Commission would be subject to the Open Meetings Act and the Freedom of Information Act.

### Report

Within one year and 60 days after the bill's effective date, the Commission would have to submit a report to the Governor and the legislative committees with primary responsibility for agriculture issues, tourism issues, and local zoning issues. The report would have to include all of the following:

- A discussion of the effects of local zoning on agricultural tourism.
- Model local zoning ordinance provisions to promote agricultural tourism.
- Recommendations concerning the use of logo signage to promote agricultural tourism.
- Recommendations for other measures to promote and remove barriers to agricultural tourism.
- Other recommendations concerning agricultural tourism.

The Commission would have to undertake studies for the purposes of the report.

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

As the manufacturing industry continues to decline, and open space is overtaken by urban sprawl, ag tourism is increasingly important to the State and local economy, the preservation of farmland, and the livelihood of individuals involved at all levels of the agricultural industry—from planting seeds and harvesting, to food processing and marketing. Ag tourism creates opportunities for members of the public to travel throughout Michigan, learn about food production, and appreciate the importance of agriculture to themselves and to the State. Picking blueberries, touring a winery, going to a cider mill, or attending a dog or horse show, for instance, or simply stopping at a roadside produce stand, can be both recreational and educational.

more frequently at the call of the State. Despite the growing popularity these activities, however, the success of ag tourism evidently is being inhibited by burdensome regulations. Some local units' zoning restrictions, for example, might prevent the direct marketing of produce or the placement of signs. If acreage is enrolled in a farmland preservation program, commercial activities might make the land ineligible for the program. In other cases, local taxing officials might decide that property is no longer classifiable as agricultural, if the owner sells produce on the premises, offers hayrides, or operates a corn maze. Increases in fees, such as fees for inspections or special use permits, also are cited as a hindrance to ag tourism.

The proposed advisory commission would be able to identify these types of barriers to ag tourism and recommend ways to overcome them, as well as proactive ways to promote the industry. Although some problems might result from Federal laws that are beyond the purview of State and local authorities—such as regulations that make it difficult for farmers to hire laborers—the commission could recommend that the State appeal to the Federal government for relief.

Rather than create an ongoing entity that would outlive its mission, the bill would require the commission to submit a report within one year and 60 days after the bill's effective date, and would repeal the proposed act 30 days after that. If it appeared that retaining the commission would be useful, however, the expiration date could be postponed or deleted.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill could result in increased State costs associated with the provision permitting reimbursement of Commission members' expenses. These costs would be covered by existing appropriations.

Fiscal Analyst: Craig Thiel

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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.