

SENATE BILL No. 228

February 17, 2005, Introduced by Senators VAN WOERKOM, GILBERT, JELINEK,
GOSCHKA, CROUSEY, STAMAS, BIRKHOLZ, KUIPERS, ALLEN and BROWN and
referred to the Committee on Agriculture, Forestry and Tourism.

A bill to establish a loan repayment program for repayment of certain educational loans to agricultural employees in rural areas; to provide for the administration of the program; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "rural
2 agricultural recruitment act".

3 Sec. 2. As used in this act:

4 (a) "Agricultural commodities" includes, but is not limited
5 to, the products of aquaculture, hydroponics, and silviculture.

6 (b) "Agricultural employee" means an individual engaged in
7 eligible agricultural employment.

1 (c) "Agricultural facility" means land, a building or other
2 improvement on or to land, and any personal properties necessary or
3 suitable for use in farming, ranching, the production of
4 agricultural commodities, or the treating, processing, or storing
5 of agricultural commodities.

6 (d) "Agricultural processing" means transforming, packaging,
7 sorting, or grading livestock or livestock products, plants or
8 plant products, or other agricultural commodities into goods that
9 are used for intermediate or final consumption, including goods for
10 nonfood use, or the manufacture, production, or construction of
11 agricultural buildings, structures, equipment, implements, and
12 supplies, or any other process used in agricultural production.
13 The term includes, but is not limited to, the following:

14 (i) Grain handling and processing, including grain storage,
15 drying, treatment, conditioning, milling, and packaging.

16 (ii) Seed and feed grain development and processing.

17 (iii) Fruit and vegetable processing, including preparation,
18 canning, and packaging.

19 (iv) Processing of livestock and livestock products, dairy
20 products, poultry and poultry products, fish, or apiarian products,
21 including slaughter, shearing, collecting, preparation, canning,
22 and packaging.

23 (v) Fertilizer and agricultural chemical manufacturing,
24 processing, application, and supplying.

25 (vi) Farm machinery, equipment, and implement manufacturing and
26 supplying.

27 (vii) Manufacturing and supplying of agricultural commodity

1 processing machinery and equipment, including machinery and
2 equipment used in slaughter, treatment, handling, collecting,
3 preparation, canning, or packaging of agricultural commodities.

4 (viii) Farm building and farm structure manufacturing,
5 construction, and supplying.

6 (ix) Construction, manufacturing, implementation, supplying, or
7 servicing of irrigation, drainage, and soil and water conservation
8 devices or equipment.

9 (x) Fuel processing and development for the production of fuel
10 from agricultural commodities or by-products.

11 (xi) Processing and packaging of agricultural commodities
12 specifically for export.

13 (xii) Forestry product processing and supplying, including
14 sawmilling, wood chipping, timber harvesting, and manufacturing of
15 prefabricated buildings, paper, furniture, or other goods from
16 forestry products.

17 (xiii) Facilities and equipment for research and development of
18 products, processes, and equipment for the production, processing,
19 preparation, or packaging of agricultural commodities and by-
20 products.

21 (e) "Approved institution" means a degree- or certificate-
22 granting public or independent nonprofit college or university,
23 junior college, or community college in this state.

24 (f) "Department" means the department of agriculture.

25 (g) "Eligible agricultural employment" means full-time
26 employment at an agricultural facility located in a rural area.

27 (h) "Eligible debt" means the total unpaid debt or expenses

1 owed by an agricultural employee as a result of loans taken to
2 attend an associate degree or bachelor's degree program at an
3 eligible institution, calculated at the time he or she first
4 applies for a repayment under this act.

5 (i) "Rural area" means a county in this state that has a
6 population of 75,000 or less.

7 Sec. 3. (1) The department shall administer a repayment
8 program for agricultural employees who have incurred eligible debt.
9 The department may each year repay up to 20% of the agricultural
10 employee's eligible debt, for not more than 5 years, as follows:

11 (a) After 1 year of continuous eligible agricultural
12 employment, up to 20% of the agricultural employee's eligible debt,
13 or \$20,000.00, whichever is less.

14 (b) After the second year of continuous eligible agricultural
15 employment, up to 20% of the agricultural employee's eligible debt,
16 or \$20,000.00, whichever is less.

17 (c) After the third year of continuous eligible agricultural
18 employment, up to 20% of the agricultural employee's eligible debt,
19 or \$20,000.00, whichever is less.

20 (d) After the fourth year of continuous eligible agricultural
21 employment, up to 20% of the agricultural employee's eligible debt,
22 or \$20,000.00, whichever is less.

23 (e) After the fifth year of continuous eligible agricultural
24 employment, up to 20% of the agricultural employee's eligible debt,
25 or \$20,000.00, whichever is less.

26 (2) In its sole discretion, the department may make a pro rata
27 repayment of eligible debt for an agricultural employee who

1 completes part of a year of eligible agricultural employment, paid
2 to the employee or his or her estate, if 1 of the following occurs
3 before that year of eligible employment is completed:

4 (a) The employee dies.

5 (b) The employee is unable to continue performing eligible
6 agricultural employment because of a permanent disability.

7 (c) The department finds other extenuating circumstances that
8 are considered by the department to constitute a compelling reason
9 to make a pro rata repayment for that partial year of eligible
10 agricultural employment.

11 (3) The department may accept funds from any source for the
12 operation of the repayment program created in subsection (1) and
13 shall distribute those funds in a manner consistent with this act.

14 Sec. 4. The department may repay eligible debt under section 3
15 to an individual determined by the department to meet all of the
16 following eligibility criteria:

17 (a) He or she completed the period of continuous eligible
18 agricultural employment required under section 3 for the repayment.

19 (b) He or she received an associate degree or bachelor's
20 degree from an approved institution before beginning his or her
21 eligible agricultural employment.

22 (c) He or she is a United States citizen or permanent resident
23 of the United States.

24 (d) He or she resided continuously in this state for the
25 completed period of eligible agricultural employment.

26 (e) He or she is in compliance with this act and the rules
27 promulgated under this act.

1 (f) He or she has not been convicted of a felony involving an
2 assault, physical injury, or death.

3 (g) He or she meets any other standards established in rules
4 promulgated by the department under section 5.

5 Sec. 5. (1) The department shall determine the form of an
6 application for repayment of eligible debt under this act and
7 establish an application process.

8 (2) The department may promulgate rules necessary for the
9 implementation of the department's functions under this act
10 pursuant to the administrative procedures act of 1969, 1969 PA 306,
11 MCL 24.201 to 24.328. The rules may include additional standards of
12 eligibility for agricultural employees to receive repayment of
13 eligible debt under this act.