



Senate Fiscal Agency
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Senate Bill 315 (as reported without amendment)
Sponsor: Senator Judy K. Emmons
Committee: Agriculture

CONTENT

The bill would amend Public Act 29 of 1970, which creates the State Potato Industry Commission and provides for an assessment on potato growers and shippers, to revise the membership of the Commission and increase the maximum assessment. The bill also would prohibit an assessment from being increased above the rate assessed on its effective date unless authorized by a referendum; require the Michigan Department of Agriculture and Rural Development (MDARD) to conduct a referendum within 60 days after the bill's effective date; specify that a referendum would be valid for five years; and require MDARD to conduct a referendum every five years after that on the question of whether the Commission and the assessments should continue.

Under the bill, the Commission would consist of the MDARD Director or his or her designee; an MSU staff member appointed by the dean of the school's department of agriculture and natural resources; and nine individuals appointed by the Governor with the advice and consent of the Senate. Of the appointees, two each would represent the snack potato manufacturing industry, the seed potato industry, and the fresh potato industry, and one each would represent shippers, shippers or retailers, and any of the categories listed.

Under the bill, an assessment at the rate of not more than 5.5 cents per hundredweight on potatoes grown in Michigan would have to be levied upon potatoes and imposed upon each grower with 20 or more acres in potato production, and not more than 1.5 cents per hundredweight would have to be levied on potatoes shipped within Michigan. By July 1 of each year, the Commission would have to determine the assessment rates for that year and notify each grower and shipper of the applicable rate. A grower with fewer than 20 acres in potato production would be considered to be in full compliance with the Act if the grower paid an assessment based upon his or her production over three of the last five years.

MCL 290.421 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

By adjust the permissible potato grower and shipper assessment rate, the bill would increase available funding for projects and research aimed at helping growers improve yields and profitability, from a current range of \$450,000 to \$550,000 to one of \$670,000 to \$850,000. The bill also would permit the Commission to receive not just gifts and grants, but also royalties, license fees, interest, income, and other items of value to enhance its programs.

Date Completed: 6-18-13

Fiscal Analyst: Bruce Baker