

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 755 (as introduced 9-28-99)
Sponsor: Senator Joanne G. Emmons
Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 10-26-99

CONTENT

The bill would amend Public Act 29 of 1970, which provides for the State Potato Industry Commission, to permit the Commission to borrow money in anticipation of receiving assessments from potato growers and shippers, if certain conditions were met.

The bill would require the following: The loan would not be requested or authorized, or not mature, within 90 days before a resubmittal or termination referendum regarding an assessment under the Act; the loan amount did not exceed 50% of the annual average assessment revenue during the previous three years; the loan repayment period did not exceed the time period during which the assessment was made or during which the assessment could reasonably be expected to be imposed; and, the loan had the prior written consent of the Director of the Department of Agriculture. The Director could request an audit of the Commission by the Auditor General before approving the loan.

The Director would have to assess against growers and shippers all outstanding loans approved under the bill, including interest, if the assessment were terminated.

(The Act requires that an assessment of one cent per hundredweight on potatoes grown in the State be levied on each lot or quantity of potatoes and imposed on each grower and shipper in the State. The Commission may, by a majority vote, raise the assessment by as much as an additional one-half cent per hundredweight. The increased assessment must continue if it is approved by a majority vote of those growers and shippers present at the next annual meeting. In addition, an additional assessment may be imposed on growers upon the Commission's recommendation and a referendum conducted in compliance with the Act. Each grower must pay the grower assessment on all potatoes grown in the State by the grower. The shipper must deduct the grower assessment from the money due the grower and remit the grower assessment to the Commission. Each shipper must pay to the Commission the shipper assessment on all potatoes purchased, sold, or shipped in the State by the shipper. The assessment cannot be imposed on potatoes retained by a grower and used for the grower's own seed purposes or own home consumption.)

MCL 290.422

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: P. Graham

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