



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

BILL



ANALYSIS

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

House Bill 5204 (Substitute H-1)
Sponsor: Representative Carl F. Gnodtke
House Committee: Agriculture and Forestry
Senate Committee: Agriculture and Forestry

Date Completed: 12-4-95

SUMMARY OF HOUSE BILL 5204 (Substitute H-1) as passed by the House:

The bill would amend Public Act 29 of 1970, which governs the State Potato Industry Commission, to permit an additional assessment to be imposed upon potato growers if the Commission recommended the assessment and more than 50% of the affected growers assented to the proposal in a referendum. Currently, the Act requires an assessment at the rate of one cent per hundredweight on potatoes grown in the State to be imposed upon each grower and shipper within this State; by a majority vote, the Commission may raise the assessment by as much as an additional one-half cent per hundredweight.

Under the bill, if the Director of the Michigan Department of Agriculture received a petition signed by 25%, or 200, of the growers, whichever was less, for the adoption of an assessment increase above that provided for in the Act, he or she would have to give notice of a public hearing on the proposed increase. The Director could require all shippers as individuals or through their trade associations to file with him or her within 30 days a certified report showing the correct names and addresses of all growers from whom the shipper received potatoes in the marketing season preceding the report's filing. The Director could not make this information public and it would not be available to anyone for private use.

Within 45 days after the public hearing, the Director would have to issue a decision based upon his or her findings and deliver, by mail or otherwise, copies of the findings and recommendation, approving or disapproving of the proposed assessment increase, to all parties of record appearing at the hearing and any other interested parties. The recommendation would have to contain the full text of any proposed assessment increase, be "substantially within the purview of the notice of hearings", and be supported by evidence taken at the hearing or by documents of which the Director was authorized to take official notice.

After recommending an assessment increase, the Director would have to determine by a referendum whether the affected growers assented to the proposed action. The Director would have to conduct the referendum within 45 days after issuing the recommendation. The affected growers would be considered to have assented to the proposal if more than 50% by number of those voting representing more than 50% of the volume of potatoes produced by those voting, assented. A grower would be entitled to one vote representing a single firm, individual proprietorship, corporation, company, association, partnership, or husband-wife or family ownership. The Director would have to establish procedures for determining volume for the conduct of referenda and other necessary procedures.

MCL 290.424 & 290.428

Legislative Analyst: S. Margules

FISCAL IMPACT

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

Fiscal Analyst: A. Rich

S9596\S5204SA

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.