

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

House Bill 5967 (Substitute H-1 as passed by the House)  
Sponsor: Representative Larry Julian  
House Committee: Agriculture and Resource Management  
Senate Committee: Farming, Agribusiness and Food Systems

Date Completed: 12-6-00

## **CONTENT**

The bill would amend Public Act 114 of 1965, which provides for the Michigan Bean Commission, to do the following:

- Revise the boundaries of certain districts in the State from which members of the Commission are appointed.
- Reduce from 11 to nine the number of members on the Commission by eliminating two of the three current processor members, and eliminate the requirement that a member have been a grower or producer for at least five years before being appointed to the Commission.
- Permit a county producing more than 20% of the State's beans to be divided into two or more districts.
- Increase the grower assessment from five cents per hundredweight to 10 cents per hundredweight.
- Reduce the number of petition signatures needed for a referendum on supplemental assessments or on the termination of the Commission.
- Permit the Commission to develop and dispense to growers certain marketing information, including factors affecting the pricing of beans worldwide.

## **Districts**

Currently, the State is divided into eight districts. The bill would revise and renumber the districts as shown below.

District	<u>Counties</u>	
	Current	Proposed
1	Arenac, Bay, Mecosta & Midland	Arenac, Bay, Midland & all undesignated counties north of Midland
2	Gratiot	Gratiot
3	Saginaw	Tuscola
4	Tuscola	Genesee, Lapeer, St. Clair & Sanilac
5	Genesee, Lapeer, St. Clair & Sanilac	Huron east of Highway 53
6	Huron	Huron west of Highway 53
7	Eaton, Ingham, Clinton & Shiawasee	Same plus Montcalm, Kent, Isabella, Mecosta & all undesignated counties west and south of this district
8	Montcalm, Kent, Isabella, Ionia & all unassigned counties north of this district	Saginaw

Every five years, the Commission may, with the advice and consent of the Director of the Department of Agriculture and the Agriculture Commission, reapportion the districts. Reapportionment must be on the basis of one or more counties with the amount of planted dry bean acreage being as nearly equal as

possible between districts. Under the bill, if one county constituted more than 20% of the total bean production within the State, then that county could be divided into two or more relatively equal districts.

#### Bean Commission

The Michigan Bean Commission currently consists of 11 members: a grower from each district and three processors, except as otherwise provided in the Act. Two processor members must be shipper handlers and one processor member must be a major canner of beans. A member currently must be or have been engaged in the growing, producing, or processing of beans within the State for at least five years immediately preceding his or her appointment.

The bill would reduce the number of Commission members to nine and would require the Commission to include one processor shipper handler member, instead of three processors. All members, except the processor, would have to be or have been engaged in the actual growing or producing of beans within the State. The bill would delete the requirement that members be or have been engaged in growing, producing, or processing beans in the State for at least five years before appointment.

In addition, the bill would delete the prohibition against a person serving more than two full terms in succession.

Under the Act, appointment of a processor shipper handler must be made only from any list submitted to the Governor by a State bean processor shipper handler organization. Under the bill, the appointment would have to be made only from a list submitted by the Commission.

#### Market Information

In addition to the activities that the Commission currently must perform, the bill would permit the Commission to develop, publish, and dispense to growers information pertaining to markets and marketing. The Commission would have to include such items as competing production areas, practices, crop production, crop conditions, crop prices, and other factors affecting the pricing structure of dry beans throughout the world.

#### Grower Assessment

Currently, a grower assessment of five cents per hundredweight, when sold or shipped, is levied and imposed on all beans grown and produced annually. The bill would increase the assessment to 10 cents and specify that it would be imposed on all beans grown and produced in the State in 2000 and annually thereafter.

#### Referendum

Under the Act, whenever 1,200 of the growers, including not more than 400 in the same district, petition the Commission, it must conduct a referendum among the growers to determine the rate of supplemental assessment for special projects. The bill would reduce the number of growers to 800 and the number who may be in the same district to 200.

#### Termination of Commission

The Act provides that five years after the latest referendum on this issue, the Department of Agriculture must conduct a referendum at which growers vote on whether the Commission should continue to levy the assessments and carry out the Act. If a majority of the growers voting who represent the majority of the hundredweight sold in the previous year of those voting, vote against having the Commission continue to function, the Commission must cease its operations. The bill specifies that if the majority of growers voting who represented a majority of the hundredweight sold in any one of the previous three years of those voting, voted against the Commission continuing to function, then the Commission would have to cease its operations.

Under the Act, upon written petition signed by at least 1,200 growers but with not more than 400 from any one district, the Director must, within 30 days, give 10 days' notice and hold a hearing on termination of the Commission. Within 30 days after the hearings, the Director must conduct a referendum to determine whether the growers assent to the proposed action. The commission is terminated if a majority of the number of those voting, representing a majority of the hundredweight sold in the previous year of those voting, vote against its continuation. Under the bill, a written petition would have to be signed by at least 200 growers with not more than 100 from any one district. The bill would increase from 30 to 45 the number of days after the hearings that the Director must conduct a referendum. The bill specifies that the Commission would be terminated if a majority of the number of those voting, representing a majority of the hundredweight sold in any one of the previous three years of those voting, voted against its continuation.

MCL 290.551 et al.

Legislative Analyst: L. Arasim

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government. The provision doubling the annual grower assessment from 5 cents per hundredweight to 10 cents per hundredweight would reflect, in statute, a grower referendum from 1989 that already implemented this change.

Fiscal Analyst: C. Thiel

S9900\5967sa

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.