

SENATE BILL No. 1340

September 19, 2000, Introduced by Senators STILLE and GOSCHKA and referred to the Committee on Farming, Agribusiness and Food Systems.

A bill to create incentives to locate and maintain value-added agricultural processing and production ventures within this state; to create certain funds and advisory boards; to authorize expenditures and grants from the funds; to finance the development of certain programs; to provide for appropriations; and to prescribe the powers and duties of certain state officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

3 Sec. 2. The legislature of this state finds and declares
4 that there exists in this state continuing need for programs to
5 assist in encouraging value-added agricultural processing and
6 agricultural production ventures and consequent job creation and
7 ancillary economic growth within this state.

Sec. 3. As used in this act:

(a) "Agricultural processing" means 1 or more operations that transform, package, sort, or grade livestock or livestock products, agricultural commodities, or plants or plant products into goods that are used for intermediate or final consumption including goods for nonfood use.

(b) "Department" means the Michigan department of agriculture.

(c) "Fund" means the agricultural development fund created in section 4.

(d) "Value added" means the enhancement or improvement of the overall value of an agricultural commodity or of an animal or plant product into a product of higher value. The enhancement or improvement includes, but is not limited to, marketing, processing, transforming, or packaging.

Sec. 4. (1) The agricultural development fund is created within the department of treasury and is to be administered by the department. Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(2) The state treasurer shall credit money from the following sources to the fund:

(a) Appropriations.

(b) Money from the uncollectibles allowance fund created in R 460.2135 of the Michigan administrative code as well as money from any other source provided by law.

1 (c) Interest earnings on deposits in the fund that accrue
2 interest as a participating fund of the state's common cash
3 fund.

4 (3) The purpose of the fund is to make grants intended to
5 increase value-added processing ventures and to expand agricul-
6 tural processing and agricultural production in targeted areas.
7 The grantees must be organizations whose purpose includes
8 value-added agricultural processing and agricultural production
9 that is consistent with the purposes of this act.

10 (4) The department shall use the fund to make grants to
11 qualified grantees who apply for such grants and who submit pro-
12 posals demonstrating feasibility for development of value-added
13 agricultural processing and agricultural production ventures con-
14 sistent with the purposes described in this act. Funded activi-
15 ties include, but are not limited to, marketing research, busi-
16 ness plan development, market development, and utilization of
17 technology designed to establish, retain, expand, attract, or
18 develop value-added agricultural processing and agricultural pro-
19 duction operations in this state.

20 (5) The director of the department shall have final approval
21 of grants made under this act. Grants are contingent upon the
22 availability of funds.

23 (6) The director of the department may impose fiduciary
24 obligations upon a recipient of a grant, including performance
25 bonding, and may impose conditions upon the receipt and expendi-
26 ture of the grant money.

1 Sec. 5. (1) There is created an agriculture development
2 advisory board consisting of 5 members whose purpose is to review
3 and recommend to the department proposals for grants under this
4 act. The members shall be appointed by the governor and serve at
5 his or her pleasure.

6 (2) The board shall be no larger than 5 members. Membership
7 on the board shall include at least 3 producers, 1 representing
8 plant product producers, 1 representing animal product producers,
9 and 1 representing at-large producers.

10 Sec. 6. The department may designate a primary point of
11 contact for the activities conducted under this act and shall
12 establish a mission statement and objectives to be made available
13 to the general public and to the processing and agricultural
14 industries.

15 Sec. 7. It is intended that the legislature shall appropri-
16 ate each year from the agricultural development fund to the
17 department an amount sufficient to make the grants described in
18 section 4.