



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



BILL ANALYSIS

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

Senate Bill 1014 (Substitute S-1 as reported)
Sponsor: Senator Bob Emerson
Committee: Appropriations

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to increase the amount of money from the Agricultural Preservation Fund that may be spent annually for administrative costs. The bill would raise the administrative cap from \$700,000 to \$900,000 annually. Under the bill, if deposits into the Fund during any given year exceeded \$11,250,000, up to 8% of the deposits could be spent for administrative costs (which amounts to \$900,000). The Act establishes priorities for the use of money in the Fund. First, not more than \$700,000, or 8% of the deposits to the Fund if deposits exceed \$8,750,000 in any given fiscal year, may be spent annually for the administrative costs of the Michigan Department of Agriculture and the Agricultural Preservation Fund Board to implement Part 361 (Farmland and Open Space Preservation) and Part 362 (Agricultural Preservation Fund) of the Act. Second, money in the Fund may be used to provide grants to local units of government to purchase agricultural conservation easements. After the first two priorities have been met, and if the remaining money in the Fund exceeds \$5,000,000, then the Department may use Fund money to purchase development rights to farmland or to acquire agricultural conservation easements.

MCL 324.36202

FISCAL IMPACT

The fiscal year (FY) 2003-04 budget for the Michigan Department of Agriculture (Public Act 157 of 2003), as enacted, included total appropriations from the Fund of \$727,300 to cover administrative costs of the Department and the Agricultural Preservation Fund Board. In addition to the resources from the Fund, the budget provided approximately \$170,000 of GF/GP appropriations to support the activities of the Farmland and Open Space Development Program. Executive Order 2003-23 reduced GF/GP appropriations to the Department in the amount of \$1,119,800 in order to help balance the State budget. Of this total GF/GP reduction, \$170,000 was associated with a funding shift to replace GF/GP appropriations with appropriations from the Agricultural Preservation Fund. Public Act 237 of 2003 provided \$170,000 in appropriation authority from the Fund. As a result of this funding shift, total year-to-date appropriations from the Fund in the FY 2003-04 are \$897,300.

Date Completed: 3-4-04

Fiscal Analyst: Craig Thiel