



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 226 (as enrolled)
Sponsor: Senator Jud Gilbert, II
Senate Committee: Agriculture, Forestry and Tourism
House Committee: Agriculture

PUBLIC ACT 47 of 2005

Date Completed: 11-18-05

RATIONALE

Almost 29% of the land in Michigan is farmed, according to the Economic Research Service (ERS) within the U.S. Department of Agriculture. When food processing is included, agriculture is the State's second largest economy, behind manufacturing. Although the State's agricultural industry has weathered the economic downturn better than the manufacturing sector has, the rates of unemployment and poverty are higher in rural counties than in urban counties. While many factors may account for this, some people believe that environmental regulations can present a particular challenge to the agricultural community. In part because agriculture is dependent on a healthy environment, Michigan's Department of Environmental Quality (DEQ) regulates farms' waste discharge and pesticide use, and monitors some large water withdrawals. Evidently, there has been some discord between agricultural producers and the DEQ. In light of this, and in view of the economic problems faced by rural communities, it was suggested that rural and agricultural interests be represented at roundtable meetings convened by the DEQ.

CONTENT

The bill added Part 23 (Agriculture and the Environment) to the Natural Resources and Environmental Protection Act to require the Director of the Department of Environmental Quality to invite individuals representing particular interests to participate in an agriculture and rural communities roundtable; require the Director to convene the roundtable at

least twice yearly; and require the DEQ to prepare a summary of each roundtable meeting. The bill took effect on June 16, 2005.

Specifically, the bill requires the DEQ Director to convene an agriculture and rural communities roundtable to discuss how the laws, rules, and policies administered by the Department affect farmers, food processors, agribusiness, rural counties, and cities, villages, and townships in rural counties. (The bill defines "rural county" as a county with a population under 70,000.)

The Director must invite at least all of the following individuals to participate in the roundtable:

- Two from an association representing farmers.
- Two from an association representing food processors.
- Two from an association representing agribusiness.
- One representing a township in a rural county.
- One representing a city or village in a rural county.
- One representing a rural county.

Before extending invitations to participate in the roundtable, the Director must consult with the chairpersons of the Senate and House of Representatives standing committees with primary responsibility for agriculture.

The bill required the Director to convene the first meeting of the roundtable within 90 days after the bill's effective date. The

Director must convene the roundtable at least twice each calendar year. The roundtable may advise the Director on the need for more frequent meetings.

Roundtable meetings must be open to the general public and held in a place available to the general public. The DEQ must give notice of each meeting by posting on the DEQ website and other means the Department determines appropriate.

At least one meeting of the roundtable each year must be held in a rural community. At that meeting, the public must be given an opportunity to address the roundtable on issues within its purview.

The DEQ must prepare of a summary of each roundtable meeting, including a Department response to issues raised during the meeting. The DEQ must post the summary on its website and give a copy of the summary to roundtable members, any member of the public requesting a copy, and the standing committees.

MCL 324.2301-324.2305

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Michigan is the second-most agriculturally diverse state in the nation, with over 70 commercial agricultural products, according to the Michigan Department of Agriculture, and the agricultural industry is the State's second-largest employer. If water and waste regulations are overly burdensome, however, or if producers have an adversarial relationship with the DEQ, some agricultural employers might be motivated to leave the State. By requiring the DEQ Director to convene a roundtable of individuals representing agriculture and rural communities, the bill creates a venue for these individuals and members of the public to air their concerns. This may strengthen the relationship between the agricultural community and the State, and help ensure that environmental regulations are not excessive. Michigan must do all it can to reach out to agriculture and to encourage the economies of rural areas, which contain

almost 19% of the State's people (ERS, Michigan Fact Sheet, 2003 estimates).

Opposing Argument

The roundtable will be duplicative and inequitable. The DEQ Director has formed a council from representatives of the regulated community for the purpose of advising him on general environmental policy. The Environmental Advisory Council consists of 24 members serving two-year terms and representing diverse interests: agriculture, environmental groups, academe, and businesses, among others. The roundtable, with only nine participants, will represent primarily agricultural interests. Further, convening a roundtable with such a limited perspective favors one regulated group over another. All members of the regulated community, including citizens, already have the means to provide input to the Department, including a 1-800 phone number and participation in the rules and legislative processes.

Response: Agriculture is different from other members of the regulated community because producers have so little control over the weather and natural resources, upon which they are heavily dependent, and over the price of their product. While small businesses can raise their prices if they suffer a setback, the prices of farm commodities are set in Chicago. Because of this, and because farming takes place in every county in Michigan, agriculture deserves a special voice within the DEQ.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill will result in indeterminate costs to the State for DEQ staff and resources dedicated to convening the roundtable meetings and preparing summaries of each meeting.

Fiscal Analyst: Jessica Runnels

A0506\s226ea

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.