



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 538 (Substitute S-1 as reported by the Committee of the Whole)  
Sponsor: Senator Cameron S. Brown  
Committee: Agriculture, Forestry and Tourism

**CONTENT**

The bill would amend Part 145 (Waste Reduction Assistance) of the Natural Resources and Environmental Protection Act to allow loans from the Small Business Pollution Prevention Assistance Revolving Loan Fund for a qualified agricultural energy production system. The bill also would increase the maximum amount of a loan from the Fund from \$150,000 to \$200,000.

To be eligible for a loan for a qualified agricultural energy production system, an applicant would have to be an eligible farmer or agricultural processor, or a for-profit farmer cooperative corporation, and be verified under the appropriate system of the Michigan Agriculture Environmental Assurance Program. The applicant could not have been found guilty of a criminal violation of the Act, or found responsible for a civil violation under the Act that resulted in a civil fine of \$10,000 or more, within a three-year period immediately before the application was submitted. An "eligible farmer or agricultural processor" would be a person who processes agricultural products or a person who is engaged as an owner-operator of a farm in the production of agricultural goods as defined in the Single Business Tax Act.

"Qualified agricultural energy production system" would mean the structures, equipment, and apparatus to be used to produce a gaseous fuel from the noncombustive decomposition of agricultural biomass and the apparatus and equipment used to generate electricity or heat from the gaseous fuel or store the fuel for future generation of electricity or heat. A system could include, but would not be limited to, a methane digester, biomass gasification technology, or thermal depolymerization technology. "Agricultural biomass" would mean residue and water generated on a farm or by farm cooperative members from the production and processing of agricultural products, animal waste, food processing waste, or other materials as approved by the Director of the Department of Environmental Quality.

MCL 324.14501 & 324.14513

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would have no fiscal impact on the State. It would expand the uses of the revolving loan fund and allow larger loan amounts, but it would not make additional funds available.

The bill could result in indirect savings to the State due to the reduction of agricultural biomass disposed of through current waste disposal methods. This could lead to less pollution requiring treatment and a reduced demand for waste disposal sites.

Date Completed: 6-10-05

Fiscal Analyst: Jessica Runnels

[floor\sb538](#)

Analysis available @ <http://www.michiganlegislature.org>

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.