



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 14 (Substitute S-1 as recommended by the Agriculture Subcommittee)

Sponsor: Senator Jim Barcia

Committee: Appropriations

Date Completed: 1-31-07

CONTENT

The bill would amend Public Act 105 of 1855 (which governs the disposition of surplus State funds) to extend the length of repayment of loans to sugar beet growers' cooperatives. Under the law, surplus funds in the State Treasury may be loaned under certain conditions to cooperatives for the purchase of the assets of agricultural processors. The repayment schedule on the interest-free loans must be not longer than five years. The bill would extend the repayment period to 10 years. The bill also would require that a loan be repaid in full immediately if the borrower missed a quarterly payment after February 15, 2007.

MCL 21.142e

FISCAL IMPACT

Currently, only one loan is outstanding. The bill would reduce revenue to the General Fund in FY 2006-07 by approximately \$2.5 million, but that revenue would be recovered over the next five fiscal years. Because the loan is interest-free, extending the repayment schedule would generate no additional revenue.

Fiscal Analyst: Debra Hollon

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