



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 1244 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Michelle A. McManus
Committee: Agriculture

CONTENT

The bill would amend the Julian-Stille Value-Added Act to do the following:

- Transfer the administration of the agricultural value-added grant program from the Agriculture Commission to the Michigan Department of Agriculture (MDA).
- Allow the Agriculture Development Fund to be used for grants only, eliminating provisions under which the Fund also may be used for low-interest loans and loan guarantees for qualified agricultural loans.
- Require the Michigan Clean Air Fund to be used for grants only, rather than grants and loans.

The bill also would repeal Section 2b of the Act, which requires the MDA Director to convene an agricultural value-added commercialization roundtable.

The bill is tie-barred to Senate Bill 1497, which would create the "George A. McManus, Jr. Agriculture Innovation Loan Guarantee Act" to create loan guarantee programs to promote value-added agricultural processing; commercialization of agricultural technologies, processes, or products; and farming operations.

MCL 285.301 et al.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

In fiscal year 2005-06, \$10.0 million was appropriated from the 21st Century Jobs Trust Fund to the Agricultural Development Fund, with \$5.0 million designated for a value-added grants program and \$5.0 million for low-interest agricultural loans. The loan program has not been implemented and the bill would revise the statute to allow the entire \$10.0 million to be spent through the grants program. The loans were designed to function as a revolving loan program to continue the program indefinitely. This function would be eliminated under the bill since the grantees would not have to repay the grant awards.

Date Completed: 11-12-08

Fiscal Analyst: Jessica Runnels