



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 134 (Substitute S-1 as reported)
Sponsor: Senator Gerald Van Woerkom
Committee: Agriculture and Bioeconomy

CONTENT

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

- Allow the Agricultural 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, and rename the Fund the "Agricultural Development Grant Fund".
- Require the Michigan Clean Air Fund to be used for grants only, rather than grants and loans.
- Transfer the administration of the agricultural value-added grant program from the Agriculture Commission to the Michigan Department of Agriculture (MDA).
- Designate the MDA as the administrator of both Funds for audit purposes.

MCL 285.302 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: 2-12-09

Fiscal Analyst: Jessica Runnels