



Senate Fiscal Agency
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Senate Bill 494 (Substitute S-2)
Sponsor: Senator Kevin Daley
Committee: Agriculture (discharged)
Appropriations

(enacted version)

Date Completed: 11-2-21

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to do the following:

- **Require, beginning April 1, 2022, the Environmental Assurance Advisory Council to provide biannually, or at the request of the Director of the Michigan Department of Agriculture and Rural Development (MDARD), recommendations to the Director and the Legislature on incentives and program modifications to increase participation in the Michigan Agriculture Environmental Assurance Program (MAEAP).**
- **Extend, from December 31, 2021, to December 31, 2025, a sunset on fees paid by various pesticide registrants and fertilizer licensees and deposited into the Freshwater Protection Fund.**
- **Modify the definitions of "direct assistance" and "indirect assistance" for the purposes of spending money from the Freshwater Protection Fund.**

Environmental Assurance Advisory Council

Part 87 (Groundwater and Freshwater Protection) requires the Director of MDARD to establish an Environmental Assurance Advisory Council composed of himself or herself and the Directors of the Department of Environment, Great Lakes, and Energy; MSU Extension, and MSU AgBioResearch, as well as representatives of all specified individual or entities as appointed by the Director of MDARD to serve terms of three years. These include representatives of farmers and other agricultural organizations, regulated agricultural industries, and a member representing each regional environmental assurance team.

Among its other duties, the Council must provide recommendations to the Director and the Legislature on incentives to increase participation in MAEAP. Under the bill, beginning April 1, 2022, the Council would have to provide *biannually, or at the request of the Director*, recommendations to the Director and the Legislature on incentives *and program modifications* to increase participation in MAEAP.

Fees; Extend Sunset

Section 8715 requires a person who is required to register a pesticide to pay, in addition to the fees required under Part 83 (Pesticide Control), various fees under Part 87. Also, a person required to pay a specialty fertilizer or soil conditioner registration fee must pay an additional \$100 water quality protection fee for each brand and product name of each grade registered. All fertilizer manufacturers or distributors licensed under Part 85 (Fertilizers), except specialty fertilizer and soil conditioner registrants, must pay \$0.0005 per pound of fertilizer sold. These

fees and any interest or dividends earned must be transmitted to the State Treasurer for credit to the Freshwater Protection Fund. Section 8715 is repealed December 31, 2021. Under the bill, this sunset would be extended to December 31, 2025.

Freshwater Protection Fund

The Act establishes the Freshwater Protection Fund in the State Treasury. The Department must spend money from the Freshwater Protection Fund, upon appropriation, only for one or more specified purposes, including emergency response and removal of potential sources of water contamination. In addition, Fund money may be spent for direct assistance, indirect assistance, and natural resources protection. Among other things, "direct assistance" includes programs that will provide for any of the following:

- The environmentally sound disposal or recycling of specialty and nonspecialty pesticide containers.
- Specialty and nonspecialty pesticide disposal programs.

Under the bill, among other things, "direct assistance" would include programs that will provide for any of the following:

- The environmentally sound disposal or recycling of pesticide containers.
- Pesticide disposal programs.

"Indirect assistance" includes, among other things, programs that will provide for public education and demonstration programs on specialty pesticide container recycling and environmentally sound disposal methods. Under the bill, the term would include programs that will provide for public education and demonstration programs on pesticide container recycling and environmentally sound disposal methods.

The bill would delete the term "specialty pesticide" and its associated definition.

MCL 324.8201 et al.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have a minimal fiscal impact on MDARD. The bill would extend a sunset on certain fees through the end of 2025, which would maintain the current level of revenue received by the Department, which has averaged \$6.5 million annually in recent years.

Fiscal Analyst: Bruce Baker

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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.