



**House
Legislative
Analysis
Section**

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FISH PURCHASES BY STATE & LOCAL UNITS

House Bill 4117 as passed by the House
Second Analysis (3-2-87)

Sponsor: Rep. John M. Maynard
Committee: Tourism and Recreation

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THE APPARENT PROBLEM:

Currently fish are not treated, preserved, or processed beyond mere cleaning in Michigan. Therefore, state agencies and local government units have been going out of state when purchasing or contracting for the purchase of processed fish to be used as food. During the 1970's, the rate of fish consumption made fish processing an unprofitable operation. (One of the factors leading to a low rate of consumption was concern among citizens about levels of pollution contamination.) During the 1980's, the rate of consumption of fish increased. However, ventures into the fish processing industry have been slow to emerge in Michigan. Some in the Michigan fish producing industry see a need for an added incentive for those interested in fish processing.

THE CONTENT OF THE BILL:

The bill would require state agencies and local units of government, when purchasing or contracting for the purchase of fish to be used for food, to buy fish harvested in Michigan waters whenever possible, if Michigan fish were comparable and available at prices equal to or less than other bids. The bill would require that a reasonable percentage of fish harvested in Michigan waters and purchased under the bill be fish that are processed, and would allow the fish purchased under the bill to be processed by state institutions.

FISCAL IMPLICATIONS:

The House Fiscal Agency (2-20-87) and the Department of Management and Budget (2-23-87) predict that the bill would have no fiscal impact on the state.

ARGUMENTS:

For:

Fish cost a certain amount of money to harvest, with added costs for processing. For example, it may cost 60 cents per pound to produce fish in Michigan, and another \$2.49 per pound to process the fish. Under the bill, money that was being spent on out-of-state processing might now be spent in Michigan.

For:

Currently, there is a "buyer's market" in the fishing industry. Because fresh fish are perishable, fishers can't afford the time to shop around to get the best price for their fish. Furthermore, there are four major wholesalers in the industry who often demand to buy all of a person's fish at one price or threaten to buy the fish elsewhere. If the fishers try to shop around for a better price they risk the freshness of their product. The bill would encourage Michigan's fishing industry to start processing their own fish, which could bring more competition to the market and more stable prices.

Against:

The bill would be ineffective because of its vague language. For instance, the bill says that state agencies and local governments should purchase fish harvested in Michigan waters "whenever possible;" the term "whenever possible" is not defined. In addition, the bill states that a "reasonable percentage" of the fish harvested in the waters of the state and purchased according to the bill have to be processed, but does not define the term "reasonable percentage."

Against:

One of the factors that has been attributed to the low rate of fish consumption during the 1970's is the level of pollution contamination. This "contamination scare" resulted in some fish buyers going out of state to purchase their fish. It is possible that if there are still contaminants in the fish at unacceptable levels the state agencies may be perceived as promoting the consumption of fish that are not healthy for consumers.

Response: The Department of Natural Resources issues licenses to catch only those species of fish that meet the standards set forth by the Department of Agriculture. If the Department of Natural Resources or the Department of Agriculture fears that a certain species of fish is not fit for consumption, the Department of Natural Resources will not issue licenses for that type of fish.

Rebuttal: The Department of Agriculture and the Department of Public Health have different standards in determining whether fish is fit for human consumption. In general, the Department of Agriculture's standards comply with those of the federal Food and Drug Administration, while the Department of Public Health's standards are more strict. Thus, the decision of what is safe for human consumption is left to the (often uninformed) consumer.

POSITIONS:

The Michigan Fish Producers Association supports the bill (2-27-87).

The Department of Management and Budget supports the bill (2-27-87).

The Michigan United Conservation Clubs support the bill (2-27-87).

The Department of Agriculture supports the bill (2-27-87).

The Michigan Municipal League opposes the bill (2-27-87).

The Michigan Association of School Boards does not support the bill (2-27-87).

H.B. 4117 (3-2-87)