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BILL ANALYSIS

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Senate Fiscal Agency

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House Bill 4117 (as reported without amendment)**Sponsor:** Representative John M. Maynard**House Committee:** Tourism and Recreation**Senate Committee:** Natural Resources and Environmental Affairs**Date Completed:** 11-5-87**RATIONALE**

Currently, fish are not treated, preserved, or otherwise processed beyond mere cleaning in the State on a wide scale. As a result, State agencies and local governmental units have resorted to going out of State to purchase or contract for the purchase of processed fish to be used as food. During the 1980s the rate of consumption of fish in the State has increased. Ventures into the fish processing industry, however, have been slow to emerge in Michigan. Some people feel that growth in the fish producing industry in the State should be encouraged, and that added incentives should be provided for those interested in fish processing.

CONTENT

The bill would create a new law that would require State agencies and local units of government, when purchasing or contracting for the purchase of fish for food purposes, to buy fish harvested in Michigan waters, whenever possible. The Michigan fish would have to be comparable to and available at prices equal to or less than other bids for fish harvested outside of the State. The bill also would require a "reasonable percentage" of fish harvested in Michigan waters and purchased under the bill to be fish that were processed. Fish purchased under the bill could be processed by State institutions. ("Processed" would mean treated, preserved, or processed in some manner beyond mere cleaning.)

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

ARGUMENTS**Supporting Argument**

There currently exists 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. Often major fish wholesalers will demand to buy all of a person's fish at one price or threaten to buy the fish elsewhere. The bill would encourage Michigan's fishing industry, by helping to provide a greater in-State market, to start processing its own fish, which could bring more competition to the market and more stable prices.

Supporting Argument

The bill would help State governmental units become more aware of the quality and availability of Michigan fish. Many State governmental units are currently buying fish from eastern suppliers at a higher cost than they would pay for fish from this State. If the product and price is comparable,

then these units of State government should be urged to purchase fish processed in Michigan.

Opposing Argument

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

Opposing Argument

The bill would impose upon local units of government an additional administrative responsibility that they don't need. They are already buying the lowest cost fish and have become used to the same supplier. It would be best not to intrude into a market system which seems to be working fine as it is. If the State wants to mandate the purchase of Michigan processed fish, then it should begin such a program at the State level first.

Legislative Analyst: B. Baker**Fiscal Analyst:** A. Rich

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H.B. 4117 (11-5-87)