




Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 480 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Liz Brater
Committee: Appropriations

CONTENT

The bill would amend the Insect Pest and Plant Disease Act to do the following:

- Increase the annual license fee for nurseries, plant growers and dealers, and nursery dealers.
- Create a new licensing category for persons growing less than one-quarter acre of nursery stock or using less than 200 square feet of greenhouse space, and require them to pay an annual license fee.
- Create the "Horticulture Fund" and a horticultural advisory committee.

The bill would increase the annual license fee for nurseries from \$50 to \$100, the annual license fee for plant growers and plant dealers from \$20 to \$100, and the annual license fee for nursery dealers from \$50 to \$100. Licenses expire annually on October 31. Under the Act, license fee revenue is collected by the Michigan Department of Agriculture and deposited in the General Fund. The fee increases would expire on September 30, 2007, and the fees would return to the current levels on October 1, 2007.

The bill would create a new category of license for persons growing less than one-quarter acre of nursery stock or using less than 200 square feet of greenhouse space. The bill would require these individuals to pay an annual license fee of \$40. The license would expire on October 31. This fee category would expire on September 30, 2007.

Beginning October 1, 2003, the bill would create the Horticulture Fund to receive a portion of the license fee revenue. The Fund would be created in the State Treasury and could receive money or other assets from any source. The State Treasurer would direct the investment of the Fund. From October 1, 2003, through September 30, 2007, up to \$70,000 of the licensing fees generated annually would be deposited in the Fund. Any balance at the end of a fiscal year between October 1, 2003, and September 30, 2007, would remain in the Fund and not revert to the General Fund. After September 30, 2007, the Fund would no longer exist and money in the Fund would revert to the General Fund and be used for enforcement of the Act.

The Director of the Department would administer the Fund in consultation with the proposed horticultural advisory committee, and spend Fund money, upon appropriation, to provide for research projects, to develop and improve training programs, and to develop outreach materials for the purposes of safeguarding plants and plant products from unwanted pests.

Members of the proposed horticultural advisory committee would be appointed by the Director and would have to include representatives of the horticulture industry.

MCL 286.209

FISCAL IMPACT

The bill would increase State revenues by \$140,000 associated with the fee increases.

The Governor's proposed fiscal year (FY) 2003-04 budget for the Department included an additional \$140,000 in revenue associated with these fee increases. This revenue replaced an equal amount of General Fund/General Purpose revenue appropriated to the Department's Pesticide and Plant Pest Management Program. The Senate concurred with the Governor's proposal and included this additional revenue in its version of the FY 2003-04 Michigan Department of Agriculture budget, Senate Bill 288 (S-1).

Date Completed: 6-11-03

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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.