



Senate Fiscal Agency
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Senate Bill 977 (as reported without amendment)
Sponsor: Senator Kevin Daley
Committee: Agriculture

CONTENT

The bill would amend the Agricultural Commodities Marketing Act to require a commodity committee with annual collected producer assessments of \$40,000 or less, instead of annual assets of \$50,000 or less, to be audited once, instead of twice, between referenda.

The Act authorizes the Director of the Michigan Department of Agriculture (MDARD) to establish marketing programs to prescribe regulations governing the marketing for processing, distributing, selling, or handling an agricultural commodity produced in Michigan or an agricultural commodity input (i.e., an item used in the production, processing, or packaging of an agricultural commodity that is assessed by a specific marketing agreement, but not feed, fertilizer, or pesticides).

The Act generally requires assessments to be collected from each producer of a marketable agricultural commodity produced in Michigan and directly affected by a marketing program issued for the agricultural commodity to defray the program and administrative costs. In addition, a marketing program may accept grants, royalties, license fees, interest, gifts, income, or other items of value that enhance the purpose of the marketing program. The money must be allocated to the marketing program under which it is collected or received and may be disbursed only for the necessary expenses incurred for the marketing program.

All expenditures must be audited by a certified public accountant (CPA) at least annually and within 30 days after completing the audit, the CPA must give copies of the audit to the commodity committee (i.e., an advisory board or committee established under a marketing program) members and the Director of MDARD.

A committee with annual assets of \$50,000 or less, based upon a three-year average, must be audited twice between referenda and must have a financial review conducted in those years when it is not audited. Under the bill, instead, a committee with annual collected producer assessments of \$40,000 or less, based upon a three-year average, would have to be audited once between referenda. This provision would not prevent MDARD from conducting oversight activities authorized under the Act.

MCL 290.658

Legislative Analyst: Jeff Mann

FISCAL IMPACT

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

Date Completed: 6-2-22

Fiscal Analyst: Bruce Baker