



Senate Fiscal Agency
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House Bills 5742 through 5748 (as passed by the House)
Sponsor: Representative Sara Cambensy (H.B. 5742)
Representative Richard M. Steenland (H.B. 5743)
Representative Julie Alexander (H.B. 5744)
Representative Ken Borton (H.B. 5745)
Representative Robert J. Bezotte (H.B. 5746)
Representative Bryan Posthumus (H.B. 5747)
Representative Graham Filler (H.B. 5748)

House Committee: Agriculture
Senate Committee: Agriculture

CONTENT

House Bill 5742 through House Bill 5748 would amend Part 83 (Pesticide Control) of the Natural Resources and Environmental Protection Act (NREPA), Part 85 (Fertilizers) of NREPA, the Food Law, the Feed Law, the Insect Pest and Plant Disease Act, the Manufacturing Milk Law, and the Grade A Milk Law, respectively, to allow the Michigan Department of Agriculture and Rural Development (MDARD) to inspect, audit, or certify locations where the products governed under each Act are manufactured, processed, grown, or produced, and to allow MDARD to issue a certificate of free sale for those products.

Specifically, to facilitate continued access to markets for the specified agricultural products governed under each of the Acts listed above, the bills would allow MDARD to do one or both of the following:

- At the request of a manufacturer, processor, grower, or producer or based upon records voluntarily supplied by those entities, inspect, audit, or certify locations where the applicable agricultural products are manufactured, processed, grown, or produced in Michigan.
- Issue certificates of free sale as described below.

The bills would define "certificate of free sale" as a document that is issued by the Department that verifies that the [product] listed is [registered, manufactured, grown, or processed, as applicable] in the State and is legally sold or distributed in the State and on the open market with the approval of the Department.

A manufacturer, processor, grower, or producer would have to submit an application for a certificate of free sale on a form and in a manner prescribed by MDARD. The Department would have to grant or deny an application for a certificate of free sale within 10 business days after it received a completed application and the required application fee. If MDARD determined that the application met the applicable bill's requirements, MDARD would have to issue a certificate of free sale. If MDARD determined that the application did not meet the requirements, it would have to deny the application and send a written notice to the manufacturer, processor, grower, or producer stating the reasons for the denial.

If a certificate of free sale were issued, the manufacturer, processor, grower, or producer would have to pay MDARD an application fee of \$60, and a duplicate copy of a certificate of free sale fee of \$10. The fees would have to be deposited in the fund specified in each bill. A certificate of free sale would be valid for one year.

The bills would allow for certificates of free sale for the following products:

- House Bill 5742: pesticides.
- House Bill 5743: fertilizers.
- House Bill 5744: food.
- House Bill 5745: commercial feed.
- House Bill 5746: nursery stock (i.e., plants).
- House Bill 5747: milk and dairy.
- House Bill 5748: grade A milk.

Proposed MCL 324.8308a (H.B. 5742)
Proposed MCL 324.8507a (H.B. 5743)
MCL 289.2125 (H.B. 5744)
MCL 287.539 (H.B. 5745)
Proposed MCL 286.217a (H.B. 5746)
Proposed MCL 288.652 (H.B. 5747)
Proposed MCL 288.506 (H.B. 5748)

Legislative Analyst: Jeff Mann

FISCAL IMPACT

House Bills 5742 through 5748 would have an indeterminate, though most likely minimal, fiscal impact on MDARD. The bills simply would substitute a more formal "free sale certificate", at the same \$60 fee and departmental work requirement, for its currently-offered "free sale letters" for food and dairy products and would expand that same voluntary certificate offer (and \$60) to other agriculture products. Fees would be used by MDARD to offset the cost of providing the certificate service.

House Bill 5742 would create a free sale certificate offering for pesticide products and would deposit fee revenue into the Agriculture Licensing and Inspection Fees Fund created in the Insect Pest and Plant Disease Act.

House Bill 5743 would create a free sale certificate offering for fertilizer licensees. Fee collected under the bill would be deposited in the Fertilizer Control Fund.

House Bill 5744 would provide a free sale certificate offering for food processors and food products that are processed or manufactured. Fees collected under the bill would be deposited in the Dairy and Food Safety Fund.

House Bill 5745 would provide a free certificate option for manufactures of commercial feed and would cover both commercial feed and commercial feed ingredients. Fees collected under the bill would be deposited in the Feed Control Fund.

House Bill 5746 would provide a free sale certificate option for nursely dealers, nursely growers, or plant growers. Fees collected under the bill would be deposited in the Agriculture Licensing and Inspection Fees Fund.

House bill 5747 would create a free sale certificate option for milk and dairy processors. Fees collected under the bill would be deposited in the Dairy and Food Safety Fund.

House Bill 5748 would create a free sale certificate option for processors or producers of grade A milk and milk products. Fees collected under the bill would be deposited in the Dairy and Food Safety Fund.

As stated, fees for a certificate of free sale under each of these bills would be \$60 and the certificate would be good for one year. The bill also would provide for an additional \$10 fee for duplicate copies of certificates. It is expected that fee revenue collected under the bills should cover a significant percent of the costs for MDARD for issuance of the certificates, but it is difficult to determine what that percentage could be at this time.

Date Completed: 5-23-22

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.