



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4663 (Substitute S-2 as passed by the Senate)

Sponsor: Representative Phil Potvin

House Committee: Appropriations

Senate Committee: Appropriations

Date Completed: 6-17-13

CONTENT

The bill would amend Part 362 (Agricultural Preservation Fund) of the Natural Resources and Environmental Protection Act to revise procedures for the dispute resolution process between owners of high-capacity agricultural wells and low-capacity wells. The bill also would establish the Department of Agriculture and Rural Development as the administrator of the Agricultural Preservation Fund for auditing purposes; raise the maximum allowable annual expenditure for administrative costs of the Department and the Agricultural Preservation Fund Board to implement Part 361 (Farmland and Open Space Preservation) and Part 362 from \$900,000 to \$1.4 million; and remove language linking the allowable expenditure for administrative costs to the amount of the Fund.

MCL 324.36201 & 324.36202

FISCAL IMPACT

Under the bill, if the Commission of Agriculture and Rural Development dismissed an order declaring a ground water dispute, the Department would be required to reimburse the appellant for the costs of providing portable water under the Act. It cannot be known at this time the potential frequency of such an occurrence or the potential cost to the Department.

The bill reflects the Fund administrative appropriation of \$1.3 million contained within the FY 2013-14 budget for the Department of Agriculture and Rural Development found in the General Omnibus budget bill (House Bill 4328, Article 1), to accommodate additional Fund responsibilities due to changes in the Farmland and Open Space Preservation program under Public Act 79 of 2011.

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.