



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 273 (as enacted)
Sponsor: Senator Kevin Daley
Senate Committee: Natural Resources and Agriculture (discharged)
House Committee: Appropriations (discharged)

PUBLIC ACT 26 of 2025

Date Completed: 11-14-25

CONTENT

The bill amended Part 87 (Groundwater and Freshwater Protection) of the Natural Resources and Environmental Protection Act (NREPA) to extend, from December 31, 2025, to October 1, 2029, the sunset on Section 8715, which prescribes fees that pesticide distributors and fertilizer manufacturers and distributors must pay annually to the Michigan Department of Agriculture and Rural Development (MDARD).

Specifically, Section 8715 of Part 87 prescribes the following fees that must be paid annually:

- For a distributor of pesticides, a water quality protection fee of \$270 per product.
- For a distributor of pesticides that fails to pay a registration fee in a timely manner, a late fee of \$100.
- For a person required to pay a specialty fertilizer or soil conditioner registration fee, a water quality protection fee of \$100 for each brand and product name of each grade registered.
- For all fertilizer manufacturers or distributors licensed under NREPA, except specialty fertilizer and soil conditioner registrants, a fee of \$0.0005 per pound of fertilizer sold.

The bill took effect on October 7, 2025.

MCL 324.8715

BRIEF RATIONALE

The fees preserved by the bill support water quality protection efforts by funding environmental conservation programs run by MDARD. Specifically, the fees support voluntary agricultural stewardship through the Michigan Agriculture Environmental Assurance Program (MAEAP). These efforts are designed to keep agricultural pollutants out of Michigan waterways. For fiscal year (FY) 2024, the MAEAP reduced the amount of sediment reduction in waterways by 10.5%, phosphorus runoff by 10.3%, and nitrogen runoff by 10.1%.¹ By preserving these fees, MDARD can continue to fund the MAEAP and keep agricultural pollutants out of Michigan's waterways.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

Water quality protection fee revenue supports the MAEAP and conservation programs within MDARD. The annual revenue collected from these fees has averaged \$6.5 million in recent

¹ MDARD, "Michigan Agriculture Environmental Assurance Program Fiscal Year 2024 Report", 2024.

years and this amount is included in the Governor's budget recommendation and House and Senate passed FY 2025-26 budget bills in support of these programs.

Fiscal Analyst: Bruce R. 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.