



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: September 20, 2016
TO: Nick Khouri
State Treasurer
FROM: Jay Wortley, Director *JW*
Office of Revenue and Tax Analysis
SUBJECT: Statutorily Required Consumer Price Index Adjustment Memo:
Nursery Inspection Fees

Attached is the statutorily required memo establishing consumer price index adjustments to nursery inspection fees. Given that the change in the Detroit CPI in FY 2016 was 0.8 percent and the effects of rounding, the maximum levels for FY 2017 nursery stock grower inspection fees remain unchanged, but the maximum level for FY 2017 nursery dealer fee increases by \$1.00.

Please contact Tom Patchak-Schuster at 3-0648 or me at 3-2697 if you have any questions.

Attachment

cc: Howard Heideman
Thomas Patchak-Schuster
Becki Gresh ✓



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DATE: September 20, 2016

TO: Jamie Clover Adams
Director, Department of Agriculture and Rural Development

FROM: Nick Khouri
State Treasurer

SUBJECT: Inspection Fee Inflation Adjustments
Nursery Stock Grower
Nursery Dealer, Import, Export and Special

MCL 286.206 provides that:

... the director [of the Department of Agriculture and Rural Development] shall adjust the schedule of fees for the costs of making the various inspections of nursery stock, plants, and plant materials as required by this act. The director shall review and adjust its schedule of fees for the inspections at the end of each fiscal year. **In any given fiscal year, the director may raise inspection fees by not more than an amount determined by the state treasurer to reflect the cumulative annual percentage change in the Detroit-Ann Arbor-Flint consumer price index over the 1-year period.** An adjustment under this subsection shall not exceed 5% even if the amount determined by the state treasurer to reflect the cumulative annual percentage change over the 1-year period is more than 5%. **If the cumulative annual percentage change over the 1-year period is less than zero, a cumulative annual percentage change of zero shall be used for the adjustment.** The adjustment shall be rounded to the nearest dollar to set each year's fee under this subsection, but the absolute value shall be carried over and used to calculate the next annual adjustment. The commission of agriculture and rural development shall approve all adjustments to the fees before they are adopted.

In fiscal year 2016, the Detroit-Ann Arbor-Flint consumer price index (CPI) rose 0.8 percent compared to fiscal year 2015.