



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 1397 (as reported without amendment)  
Sponsor: Senator Gerald Van Woerkom  
Committee: Agriculture and Bioeconomy

### **CONTENT**

The bill would amend the Farm Produce Insurance Act to do the following:

- Permit the Farm Produce Insurance Fund to be used to reimburse the Michigan Department of Agriculture (MDA) Director for "producer security expenses", i.e., administering and enforcing the Grain Dealers Act.
- Require the board of the Farm Produce Insurance Authority to enter into a memorandum of understanding with the MDA Director to provide for that reimbursement.
- Permit the board to allocate up to \$500,000, rather than \$250,000, from the Fund to a separate administrative expenses account, and require that account to be used to reimburse the MDA Director for producer security expenses as well as administrative expenses.
- Describe circumstances under which a producer would not be eligible for reimbursement from the Fund.
- Permit the board to determine the distribution of money in the Fund if the Farm Produce Insurance Act were held invalid.
- Permit the board to select the certified public accountant to conduct the annual audit required under the Act.

MCL 285.313 et al.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would have an indeterminate impact on the Department of Agriculture. The bill would increase the potential amount of revenue reimbursed to the Department from the Farm Produce Insurance Fund, as it would raise the reimbursement cap from \$250,000 to \$500,000.

Date Completed: 6-29-10

Fiscal Analyst: Bruce Baker