

SENATE BILL No. 159

February 16, 1989, Introduced by Senator BARCIA and referred to the Committee on Agriculture and Forestry.

A bill to provide a state subsidy to producers of agricultural commodities for federal crop insurance protection.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Corporation" means the federal crop insurance corpora-
3 tion created in section 503 of the federal crop insurance act, 7
4 U.S.C. 1503.

5 (b) "Director" means the director of agriculture or his or
6 her authorized representative.

7 (c) "Multi-peril crop insurance" means insurance coverage
8 offered pursuant to section 508(b)(3) of the federal crop insur-
9 ance act, 7 U.S.C. 1508(b)(3).

10 (d) "Person" means an individual, corporation, association,
11 partnership, or other legal entity.

1 Sec. 2. The legislature shall appropriate to the department
2 of agriculture an amount of money not to exceed \$5,000,000.00 to
3 subsidize premiums paid by producers of agricultural
4 commodities.

5 Sec. 3. The director shall enter into an agreement with the
6 federal crop insurance corporation under which the director
7 agrees to pay to the corporation a portion of federal crop insur-
8 ance premiums paid by producers of agricultural commodities in
9 this state. The agreement shall provide for a corresponding
10 reduction in the federal crop insurance premium paid by those
11 producers.

12 Sec. 4. Under the agreement, the director shall pay to the
13 corporation for each covered producer an amount equal to the
14 amount that the corporation pays for that producer under
15 section 508(b)(3) of the federal crop insurance act,
16 7 U.S.C. 1508(b)(3).

17 Sec. 5. Not more than 30% of each producer's premium, as
18 calculated by the corporation, on coverage of up to 65% of the
19 recorded or appraised average yield, as adjusted, shall be paid
20 by the state.

21 Sec. 6. If the appropriation prescribed under this act is
22 insufficient to meet the subsidy requirements prescribed in sec-
23 tion 3, the percentages as prescribed in section 3 shall be
24 reduced to 10% and shall be allocated on a first-come basis.

25 Sec. 7. Unless otherwise directed by the director, if for
26 any year the amount appropriated results in a surplus, the funds

1 allocated to the corporation shall be immediately returned by the
2 corporation to the state.