
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 1173 (as reported without amendment)
Sponsor: Senator George A. McManus, Jr.
Committee: Farming, Agribusiness, and Food Systems

CONTENT

The bill would amend the Grain Dealers Act by requiring a license application to be accompanied by a bond only for a grain dealer who was a bailee of farm produce and issued warehouse receipts or who did not own a farm produce or handling facility, or did not own a vehicle for transporting farm produce. The bill specifies that a bond would apply only to warehouse receipt transactions. The term of a blanket surety bond would be continuous, but the liability of the surety would not accumulate for each successive license period while the bond was in effect and the liability would not be affected by the number of claimants.

Currently, all applications for a grain dealer's license must be accompanied by a sufficient bond or an irrevocable letter of credit in favor of the Department of Agriculture that fulfills the Act's requirements.

MCL 285.67a

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 6-5-98

Fiscal Analyst: G. Cutler