

Fiscal Analysis

FARM PRODUCE INSURANCE ACT



Bill/Sponsor **HB4311, H-1**
House Committee Agriculture and Resource Management

Analysis

Summary

This bill would establish a Farm Produce Insurance Authority, establish a farm produce insurance fund, and provide for assessments on grain dealers. A Board of Directors would provide general administrative direction to the Authority. A Farm Produce Insurance Fund would be established, funded from producer premiums and fund investments. This fund would be used to pay claims caused by the business failure of a licensed grain dealer.

Fiscal Impact

The annual expenses related to the administration of the Farm Produce Insurance Authority would be limited to \$250,000. These expenses would be paid from the Farm Produce Insurance Fund, a new restricted fund created within the Michigan State Treasury. Financial obligations of the fund to pay claims authorized by this bill would be drawn from premiums received from farm product producers. These claim obligations would be payable only from this fund. There would be no payments from other State restricted funds or from the State General Fund.

There would be no fiscal impact on local government.

Analyst(s) K. Lindquist

FLOOR ANALYSIS - 5/27/03

Mitchell Bean, Director – House Fiscal Agency
124 N. Capitol Avenue, Lansing, MI 48909
Phone: (517)373-8080, Fax: (517)373-5874
<http://www.house.mi.gov/hfa>