

**SUBSTITUTE FOR
HOUSE BILL NO. 4311**

A bill to provide insurance to farm produce producers against losses from the failure of grain dealers; to establish a farm produce insurance authority; to prescribe the powers and duties of the authority and its board; to establish a farm produce insurance fund; to provide for assessments on grain dealers; to prescribe certain powers and duties of certain state agencies and officers; to authorize the promulgation of rules; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "farm produce insurance act".

3 Sec. 3. As used in this act:

4 (a) "Acknowledgment form" means that term as defined in
5 section 2 of the grain dealers act, MCL 285.62.

6 (b) "Administrative expenses" means the costs described in

1 section 9(2).

2 (c) "Authority" means the farm produce insurance authority
3 created in section 5.

4 (d) "Board" means the board of directors of the authority
5 described in section 7.

6 (e) "Claimant" means a producer who makes a claim for
7 reimbursement from the fund under section 15.

8 (f) "Department" means the department of agriculture.

9 (g) "Depositor" means that term as defined in section 2 of
10 the grain dealers act, MCL 285.62.

11 (h) "Director" means the director of the department or his or
12 her designee.

13 (i) "Failure" of a licensee or grain dealer means that term
14 as defined in section 2 of the grain dealers act, MCL 285.62.

15 (j) "Farm produce" means that term as defined in section 2 of
16 the grain dealers act, MCL 285.62.

17 (k) "Farm produce insurance program" or "program" means the
18 program for reimbursement of claims described in this act.

19 (l) "Financial institution" means that term as defined in
20 section 2 of the grain dealers act, MCL 285.62.

21 (m) "Financial loss" means the loss to a producer who is not
22 paid in full for farm produce that the producer sold to a grain
23 dealer and delivered under the terms of the sales contract, after
24 deducting any outstanding charges against the farm produce.

25 (n) "Fund" means the farm produce insurance fund created in
26 section 9.

27 (o) "Grain dealer" means that term as defined in section 2 of

1 the grain dealers act, MCL 285.62.

2 (p) "Grain dealers act" means the grain dealers act, 1939
3 PA 141, MCL 285.61 to 285.88.

4 (q) "Licensee" means that term as defined in section 2 of the
5 grain dealers act, MCL 285.62.

6 (r) "Net proceeds" means the sale price of farm produce, less
7 usual and customary charges and costs of sale of the farm
8 produce.

9 (s) "Participant" means a producer that has contributed to
10 the fund and never requested a refund from the fund or a producer
11 who has reentered the program under section 13(5).

12 (t) "Person" means an individual, corporation, limited
13 liability company, partnership, association, cooperative
14 organization, or other legal entity.

15 (u) "Price later agreement" means that term as defined in
16 section 2 of the grain dealers act, MCL 285.62.

17 (v) "Producer" means a person that owns, rents, leases, or
18 operates a farm on land and who has an interest in and receives
19 all or any part of the proceeds from the sale in Michigan of farm
20 produce produced from the land to a grain dealer licensed under
21 the grain dealers act.

22 (w) "Producer premium" means the amount of money charged to
23 and collected from a producer under section 11.

24 (x) "Sale" means transfer of title.

25 (y) "Storage loss" means a loss to a depositor resulting from
26 the failure of a licensee that has not fully satisfied its
27 storage obligation to the depositor, net of any outstanding

1 charges against the farm produce.

2 (z) "Valid claim" means a claim arising from a failure of a
3 licensee that occurs after the effective date of this act, is
4 found valid by the department, and is approved by the board, less
5 all credits and offsets associated with farm produce sold by a
6 producer to the licensee.

7 (aa) "Warehouse receipt" means that term as defined in
8 section 2 of the grain dealers act, MCL 285.62.

9 Sec. 5. The farm produce insurance authority is created as
10 a public body corporate and politic. The authority is within,
11 but not a part of, the department. The authority shall exercise
12 its prescribed statutory powers, duties, and functions
13 independently of the director, the department, and the commission
14 of agriculture. The budgeting, procurement, and related
15 functions of the authority shall be performed under the direction
16 and supervision of the board.

17 Sec. 7. (1) A board of directors shall govern and
18 administer the authority. The board shall consist of the
19 following 10 members:

20 (a) The director, or his or her designee, is a nonvoting
21 member and the chairperson and secretary of the board. This
22 member shall not receive per diem or other compensation or
23 reimbursement for expenses for serving on the board.

24 (b) Two voting members appointed by the governor for
25 staggered terms, upon the recommendation of the largest Michigan
26 organization representing the interests of licensees in Michigan,
27 as determined by the director. For the first board, the governor

1 shall appoint 1 voting member appointed under this subdivision
2 for a term of 1 year and 1 voting member for 2 years. The member
3 appointed to the first board for a 2-year term under this
4 subdivision is the first treasurer of the board. When a member
5 who is the treasurer leaves the board, the member appointed to
6 the board under this subdivision who has been a member of the
7 board for the longest period is the treasurer.

8 (c) Three voting members appointed by the governor for
9 staggered terms, upon the recommendation of the largest Michigan
10 organization representing general farm interests in Michigan, as
11 determined by the director. Only a producer is eligible for
12 appointment under this subdivision. For the first board, the
13 governor shall appoint 1 voting member appointed under this
14 subdivision for a term of 1 year, 1 voting member for a term of 2
15 years, and 1 voting member for a term of 3 years. The member
16 appointed to the first board for a 3-year term under this
17 subdivision is the first vice-chairperson of the board. When a
18 member who is the vice-chairperson leaves the board, the member
19 appointed to the board under this subdivision who has been a
20 member of the board for the longest period is the
21 vice-chairperson.

22 (d) One voting member appointed by the governor, upon the
23 recommendation of the largest Michigan organization exclusively
24 representing the interests of corn producers in Michigan, as
25 determined by the director. Only a producer is eligible for
26 appointment under this subdivision.

27 (e) One voting member appointed by the governor, upon the

1 recommendation of the largest Michigan organization exclusively
2 representing the interests of soybean producers in Michigan, as
3 determined by the director. Only a producer is eligible for
4 appointment under this subdivision.

5 (f) One voting member appointed by the governor, upon the
6 recommendation of the largest Michigan organization exclusively
7 representing dry bean producers in Michigan, as determined by the
8 director. Only a producer is eligible for appointment under this
9 subdivision.

10 (g) One voting member appointed by the governor, upon the
11 recommendation of the largest Michigan organization representing
12 the interests of agricultural lenders in Michigan, as determined
13 by the director.

14 (2) Except as provided in subsection (1)(b) and (c) for the
15 first board, each voting member of the board shall serve for a
16 3-year term and may be reappointed for 1 or more additional
17 terms. The governor may remove a voting member from the board
18 for good cause.

19 (3) The governor shall fill a vacancy on the board for an
20 unexpired term for the remainder of the term and in the same
21 manner as an original appointment. A vacancy does not impair the
22 right of a quorum to exercise all the rights and perform all the
23 duties of the board.

24 (4) Five voting members constitute a quorum. The affirmative
25 vote of 5 or more voting members is necessary for an action of
26 the board other than adjournment of a meeting of the board. An
27 adjournment of a meeting of the board requires a vote of a

1 majority of voting members present at the meeting and voting.

2 (5) The board shall hold an annual meeting and at least 1
3 additional meeting each calendar year. The secretary of the
4 board shall provide written notice of each meeting to the members
5 of the board at least 5 days before the meeting.

6 (6) A member of the board may waive any notice required by
7 this section, before or after the date and time stated in the
8 notice, in writing and delivered, mailed, or electronically
9 transmitted to the authority for inclusion in the minutes or
10 filing with the records of the authority.

11 (7) A board member's attendance at a meeting waives any
12 objection to any of the following:

13 (a) No notice or a defective notice of a meeting, unless the
14 member at the beginning of the meeting objects to holding the
15 meeting or transacting business at the meeting.

16 (b) Consideration of any particular matter at a meeting that
17 is not within the purpose or purposes described in the notice,
18 unless the member objects to considering the matter when it is
19 presented.

20 (8) The board shall do all of the following:

21 (a) Create forms, and establish policies and procedures to
22 implement this act.

23 (b) Establish the amount of the producer premium under
24 section 11.

25 (c) Collect and deposit all producer premiums authorized
26 under this act into the fund.

27 (d) Take any legal action it considers necessary to compel a

1 failed licensee to repay the fund for any payment made from the
2 fund to a claimant for a valid claim against that licensee.

3 (e) Take any legal action it considers necessary to compel a
4 claimant to participate in any legal proceeding in relation to
5 the claim or the failure of a licensee.

6 (f) Within 5 business days of receiving notice of failure of
7 a licensee, publish notice of the failure in a manner described
8 in the grain dealers act.

9 (g) Request the services of the department or arrange for
10 legal services through the department of attorney general if the
11 board considered it necessary in the execution of its duties.

12 (h) Procure insurance against any loss in connection with its
13 operations, in amounts and from insurers as determined by the
14 board.

15 (i) Borrow money from a bank, an insurance company, an
16 investment company, or any other person, and pay or include in
17 the loan any financing charges or interest, consultant, advisory,
18 or legal fees, and other expenses the board determines are
19 appropriate in connection with the loan. Any loan contract must
20 provide for a term of not more than 40 years, allow prepayment
21 without penalty, and plainly state that the loan is not a debt of
22 this state but the sole obligation of the authority, payable
23 solely from the fund or from any appropriation from this state
24 made to the authority for repayment of the loan.

25 (j) Employ personnel as required in the judgment of the board
26 and fix and pay compensation from money available to the
27 authority from the administrative expenses account described in

1 section 9(2).

2 (k) Make, execute, and carry out any contract, agreement, or
3 other instrument or document with a governmental department or
4 other person it determines is necessary or convenient to
5 accomplish the purposes of this act.

6 (l) If requested by the director and approved by the board,
7 make payment from the fund to compensate a claimant for a valid
8 claim.

9 (9) The board may do any of the following:

10 (a) Establish policies and procedures in connection with the
11 performance of the functions and duties of the authority.

12 (b) Adopt a policy establishing a code of ethics for its
13 employees and board members, consistent with 1973 PA 196,
14 MCL 15.341 to 15.348.

15 (c) Accept gifts, devises, bequests, grants, loans,
16 appropriations, revenue sharing, other financing and assistance,
17 and any other aid from any source and deposit them in the fund
18 and agree to and comply with any conditions attached to them.

19 (10) A voting member may receive per diem compensation and
20 mileage reimbursement for attending meetings of the board or
21 while engaged in the performance of his or her duties on behalf
22 of the authority, in amounts established by the board, and may
23 receive reimbursement for other expenses approved by the board.
24 The amounts established by the board shall not exceed the maximum
25 commission of agriculture rates for per diem compensation and
26 mileage reimbursement. A voting member shall not receive any
27 other compensation for serving on the board or for services

1 performed for the authority.

2 (11) A representative of the board or the department may in
3 accordance with this act inspect the books and records of a
4 licensee during normal business hours to verify whether the
5 licensee is complying with the provisions of this act.

6 Sec. 9. (1) The farm produce insurance fund is established
7 under the direction and control of the board. The fund shall
8 consist of producer premiums, money from any other source, and
9 interest and earnings from any other source. The board shall
10 direct payments from the fund only for the following purposes:

11 (a) Payment of valid claims under section 15.

12 (b) Payment of producer premium refunds under section 13.

13 (c) Payment of administrative expenses under subsection (2).

14 (d) Payment of legal fees and legal expenses under subsection
15 (3).

16 (2) The board shall allocate money from the fund to a
17 separate administrative expenses account to pay administrative
18 expenses. This allocation shall not exceed \$250,000.00 in any
19 fiscal year. Administrative expenses under this subsection
20 include the actual cost of processing refunds of producer
21 premiums, enforcement, record keeping, ordinary management and
22 investment fees connected with the operation of the fund,
23 verification cost under section 11(5), and any other expenses
24 approved by the board. Administrative expenses do not include
25 legal fees and legal expenses described in subsection (3).

26 (3) For legal services requested by the board, the board
27 shall pay for any legal services and legal expenses required by

1 the authority, board, or fund from money in the fund. Legal
2 services and expenses described in this subsection are not
3 administrative expenses and shall not be paid from the
4 administrative expenses account.

5 (4) The treasurer of the board shall act as the investment
6 officer of the fund and shall invest or direct a financial
7 institution to invest the money in the fund that is not currently
8 needed to meet the obligations of the fund. The treasurer of the
9 board shall invest or direct the investment of the money only in
10 the manner permitted in section 1 of 1943 PA 20, MCL 129.91.

11 Interest and earnings shall be credited to the fund.

12 (5) The fund shall operate on a fiscal year established by
13 the board.

14 Sec. 11. (1) Except as provided in this section, beginning
15 January 1, 2004, each producer shall pay to the authority a
16 producer premium of not more than 0.2% of the net proceeds from
17 all farm produce sold by the producer to a licensee in this
18 state. If the farm produce is sold to a licensee, the licensee
19 shall deduct the producer premium from the proceeds of sale and
20 pay the premium to the authority on behalf of the producer as
21 provided in subsection (3).

22 (2) A producer premium imposed under this section is in
23 addition to any other fees or assessments required by law.

24 (3) Beginning January 1, 2004, when purchasing farm produce
25 from a producer, a licensee or its agent or representative shall
26 deduct the producer premium described in subsection (1) from the
27 proceeds of sale and notify the producer of the amount of the

1 deduction in writing. The licensee shall forward the producer
2 premium to the authority for deposit into the fund on behalf of
3 the producer within 30 days of the close of each quarter of the
4 fiscal year. Until the authority has received \$5,000,000.00 in
5 producer premiums under this act from licensees, a licensee that
6 forwards producer premiums it has collected to the authority
7 within the time period described in this subsection may retain
8 0.1% of the producer premiums collected.

9 (4) Before January 1, 2004, the department by first-class
10 mail shall notify each licensee of the requirements of subsection
11 (3).

12 (5) A licensee shall clearly indicate in its books and
13 records the individual producer premiums collected by the
14 licensee under subsection (3) and retain those books and records
15 for at least 3 years. A licensee shall make the portion of the
16 books and records of the licensee reflecting the premiums
17 collected available for inspection by the director during regular
18 business hours. The department shall take steps reasonably
19 necessary to verify the accuracy of the portion of the licensee's
20 books and records that reflect the premiums collected. The board
21 shall reimburse the department for the costs related to the
22 verification from the fund as an administrative expense under
23 section 9(2).

24 (6) The director shall require that a licensee make its books
25 and records available to the department for the inspection or
26 verification described in subsection (5). Financial information
27 submitted to the department or the authority by a licensee for

1 purposes of this subsection and subsection (5) is confidential
2 and is not subject to the disclosure requirements of the freedom
3 of information act, 1976 PA 442, MCL 15.231 to 15.246, except
4 that disclosure of financial information may be made in any of
5 the following circumstances:

6 (a) With the written consent of the licensee.

7 (b) Pursuant to a court proceeding.

8 (c) The disclosure is made to the director or an agent or
9 employee of the department.

10 (d) The disclosure is made to an agent or employee of a state
11 or the federal government authorized by law to see or review the
12 information.

13 (e) The information is disclosed in the form of an
14 information summary or profile, or as part of a statistical study
15 that includes data on more than 1 grain dealer, that does not
16 identify the grain dealer to whom any specific information
17 applies.

18 (7) At each annual meeting, the board shall certify the
19 amount of money in the fund at the end of the preceding fiscal
20 year. A producer shall continue to pay and a licensee shall
21 continue to collect producer premiums until the board certifies
22 that the fund contained more than \$5,000,000.00 at the end of the
23 preceding fiscal year. In any fiscal year where the board has
24 certified that the fund contained more than \$5,000,000.00 at the
25 end of the preceding fiscal year, a producer is not required to
26 pay and a licensee is not required to collect producer premiums
27 until 1 of the following occurs:

1 (a) The board certifies that the fund contained less than
2 \$3,000,000.00 at the end of the preceding fiscal year. In any
3 year where the board has certified that the fund contained less
4 than \$3,000,000.00 at the end of the preceding fiscal year, the
5 obligation of each producer to pay and each licensee to collect
6 producer premiums is reinstated.

7 (b) The obligation of each producer to pay and each licensee
8 to collect producer premiums is reinstated in any fiscal year in
9 which all of the following are met:

10 (i) The board certifies that the fund contained at least
11 \$3,000,000.00 at the end of the preceding fiscal year.

12 (ii) The board is aware of a failure of a licensee.

13 (iii) As determined by the board, the amount required to
14 satisfy valid claims equals or exceeds the amount of money in the
15 fund.

16 Sec. 13. (1) Subject to subsection (7), a producer that has
17 paid, either directly or collected by a licensee, a producer
18 premium may receive a refund of the producer premium from the
19 fund by submitting a written demand for refund to the board,
20 delivered personally or by first-class mail within 12 months
21 after the producer paid the producer premium, or within a longer
22 period granted by the board if it determines that good cause for
23 an extension exists.

24 (2) A producer shall submit a demand for refund under
25 subsection (1) on a demand for refund form developed by the
26 board. The board shall make the form available to a licensee,
27 producer, or member of the public upon request.

1 (3) If a producer is entitled to a refund of a producer
2 premium under this section, the board shall pay the refund within
3 60 days of its receipt of the demand for refund.

4 (4) If producer premiums were assessed in the immediately
5 preceding calendar year, the board shall by January 31 send a
6 notice to each producer who requested a refund of a producer
7 premium in any previous calendar year. The notice must inform
8 the producer of the deadline for and method of submitting a
9 demand for refund to the board under subsections (1) and (2) and
10 the method for reentering the program under subsection (5).

11 (5) A producer that receives a refund of a producer premium
12 under subsection (1) is not entitled to participation in the
13 program or to receive any payment under this act unless it
14 reenters the farm produce insurance program by meeting all of the
15 following conditions:

16 (a) The producer submits a request for reentry into the farm
17 produce insurance program to the board. The producer shall
18 submit the request in the form required by the board and shall
19 deliver the request to the board by hand or by certified mail,
20 return receipt requested.

21 (b) The board reviews the producer's request for reentry and
22 approves the request.

23 (c) The producer pays into the fund all previous producer
24 premiums refunded to the producer, and interest on the refunds as
25 determined by the board.

26 (6) Beginning 90 days after the reentry, a producer that
27 reenters the farm produce insurance program under subsection (5)

1 is eligible for reimbursement of claims under the program.

2 (7) A producer is not eligible for a refund of a producer
3 premium under this section if the producer has received
4 reimbursement from the fund for a valid claim within the
5 preceding 36 months.

6 Sec. 15. (1) A producer that meets both of the following
7 may submit a claim for reimbursement from the fund under this
8 section:

9 (a) The producer is a participant at the time the producer
10 submits the claim.

11 (b) The producer satisfies 1 of the following conditions:

12 (i) The producer possesses written evidence of ownership of
13 farm produce that discloses a storage obligation of a licensee
14 that has failed, including, but not limited to, a warehouse
15 receipt, acknowledgment form, or settlement sheet.

16 (ii) The producer has surrendered warehouse receipts as part
17 of a sale of farm produce to a licensee that failed not more than
18 21 days after the surrender of the warehouse receipts and the
19 producer surrendering the warehouse receipts was not fully paid
20 for the farm produce.

21 (iii) The producer possesses written evidence of the delivery
22 and sale of farm produce or transfer of price later farm produce
23 to a failed licensee, including, but not limited to, an
24 acknowledgment form, settlement sheet, price later agreement, or
25 similar farm produce delivery contract, but the grain dealer did
26 not pay the producer in full for the farm produce.

27 (2) If the department finds a claim made under subsection (1)

1 is valid and the board approves of the valid claim, the board
2 shall within 90 days of the board's approval pay the claimant the
3 amount described in subsection (3) or (4) from the fund as
4 compensation for the claim. The 90-day time period for payment
5 may be extended if the board and claimant agree in a writing that
6 describes the payment terms and schedule.

7 (3) A claimant that incurs a storage loss due to the failure
8 of a licensee is entitled to payment under subsection (2) in an
9 amount equal to 100% of the storage loss, less any producer
10 premium that would have been due on the sale of the farm
11 produce. The department shall determine the gross amount of the
12 storage loss based upon local market prices on the date of
13 failure. The department may consider any evidence submitted by
14 the failed licensee or any claimants concerning the actual
15 charges associated with stored farm produce.

16 (4) A claimant that incurs a financial loss due to the
17 failure of a licensee is entitled to payment under subsection (2)
18 in an amount equal to 90% of the financial loss. For farm
19 produce that is sold in a transaction subject to the grain
20 dealers act, the department shall determine the amount of the
21 financial loss based on the value of the farm produce less any
22 outstanding charges against the farm produce. If the farm
23 produce has not been priced, the department shall establish the
24 amount of the financial loss using the local market on the date
25 of failure less any usual and customary charges associated with
26 the sale of farm produce.

27 (5) A claim under subsection (2) of this section is valid

1 only if it is made within 1 year after notice of the failure of
2 the licensee is published in a newspaper of general circulation
3 in each county in which a facility of the licensee is located.

4 (6) The board may require a claimant paid under this section
5 for a valid claim to subrogate to the board or authority all the
6 claimant's rights to collect on any bond issued under the grain
7 dealers act or the United States warehouse act, 39 Stat. 486, 7
8 U.S.C. 241 to 273, and the claimant's rights to any other
9 compensation arising from the failure of the licensee. If
10 required to subrogate under this subsection, the claimant shall
11 assign the claimant's interest in any judgment concerning the
12 failure to the board or authority.

13 (7) The board shall deny the payment of a valid claim under
14 this section if the board determines any of the following are
15 met:

16 (a) The claimant as payee fails to present for payment a
17 negotiable instrument issued as payment for farm produce within
18 90 days after the date the negotiable instrument is tendered to
19 the claimant as payment for farm produce purchased by the
20 licensee.

21 (b) The claimant has engaged in marketing practices that have
22 substantially contributed to the claimant's loss. The authority
23 may consider whether the marketing practices are generally
24 accepted marketing practices in this state in making its
25 determination.

26 (c) The claimant has intentionally committed a fraud or
27 violated this act in connection with the claim.

1 (8) If the department determines that a failure of a licensee
2 has occurred, the board shall do all of the following:

3 (a) Determine the valid claims against the licensee and the
4 amount of the valid claims.

5 (b) Authorize payment of money from the fund when necessary
6 to pay claimants for valid claims as provided in this section.

7 (c) Deposit into the fund any proceeds of the remaining farm
8 produce assets of a failed licensee to repay the fund for money
9 paid to claimants, subject to any priority lien right a holder of
10 a mortgage, security interest, or other encumbrance may possess
11 under any applicable law. The board shall not deposit into the
12 fund an amount in excess of the sum of the principal amount of
13 valid claims paid to claimants, plus interest for the period from
14 the date a claimant was paid for a valid claim to the date that
15 the remaining farm produce assets were received by the board
16 under this subsection, at a per annum rate equal to the auction
17 rate of 91-day discount treasury bills on the date the claimant
18 was paid.

19 (d) If the amount in the fund and any amount the board
20 borrows under subsection (9)(b) are insufficient to pay all valid
21 claims, pay the amount available for payment proportionately
22 among the valid claims approved by the board and pay the prorated
23 amount to those claimants.

24 (9) If the department determines that a failure of a licensee
25 has occurred, the board may do any of the following:

26 (a) Pursue any subrogation rights obtained from claimants
27 under subsection (6).

1 (b) If the fund has insufficient money to pay the valid
2 claims, borrow money as authorized under section 7(8)(i) for the
3 payment of valid claims.

4 Sec. 17. The board shall use money in the fund only for a
5 purpose described in section 9(1). This section is not severable
6 from the whole of this act, and if any portion of this section is
7 held invalid, it is the manifest intent of the legislature that
8 this act as a whole shall be held invalid and the money remaining
9 in the fund distributed to producers in proportion to the amount
10 of producer premiums each producer has paid to the authority.

11 Sec. 19. (1) The department may promulgate rules approved
12 by the board and necessary to implement and administer this act
13 and to exercise the powers expressly granted in this act in
14 accordance with the administrative procedures act of 1969, 1969
15 PA 306, MCL 24.201 to 24.328.

16 (2) This act does not limit the authority of the director or
17 department to take action against a licensee under the grain
18 dealers act for a violation of the grain dealers act or the rules
19 of the department.

20 (3) It is not a defense to an action by the director or
21 department against a licensee under the grain dealers act for a
22 violation of that act that the grain dealer has fulfilled its
23 obligations under this act.

24 Sec. 21. (1) A person that knowingly or intentionally
25 commits any of the following is guilty of a misdemeanor
26 punishable by a fine of not more than \$5,000.00 for each
27 offense:

1 (a) Refusing or failing to collect producer premiums as
2 required under this act.

3 (b) Refusing or failing to pay to the authority producer
4 premiums collected under this act.

5 (c) Making a false statement, representation, or
6 certification, or knowingly failing to make a required statement,
7 representation, or certification, in a record, report, or other
8 document the person files with the director, department, board,
9 or authority, or that the person is required to file with the
10 director, department, board, or authority, under this act.

11 (d) Resisting, preventing, impeding, or interfering with the
12 director, agents or employees of the department, the board, or
13 agents or employees of the authority or board in the performance
14 of their duties under this act.

15 (2) In addition to the criminal penalty described in
16 subsection (1), the court in an enforcement action for a
17 violation described in subsection (1)(a) or (b) shall order the
18 grain dealer to pay to the fund any producer premiums collected
19 by the grain dealer that it owes to the fund and may order the
20 grain dealer to pay interest on the amount the grain dealer owes
21 to the fund.

22 Enacting section 1. The Michigan agricultural commodity
23 insurance act, 1988 PA 366, MCL 285.211 to 285.219, is repealed.