

# Legislative Analysis



## FARM PRODUCE INSURANCE ACT

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 508 as passed the Senate**  
**Sponsor: Sen. Kevin Hertel**  
**Committee: Appropriations**  
**Complete to 10-9-2023**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

Senate Bill 508 would amend section 7 of the Farm Produce Insurance Act to specify the amount a voting member of the Farm Produce Insurance Authority board may receive as per diem compensation and mileage reimbursement for attending board meetings or performing duties on behalf of the authority. The bill would limit the reimbursement amount established by the board to \$75 for per diem compensation and mileage reimbursement.

There are eight voting members of the board eligible to receive reimbursement. The board meets twice each year.

While the act currently authorizes per diem compensation to board members, the act also limits the per diem to the maximum reimbursement rates for the Michigan Commission of Agriculture and Rural Development. The rates for the commission are currently \$0.

MCL 285.317

### BACKGROUND:

The Farm Produce Insurance Act establishes a kind of insurance pool for producers who suffer losses as result of a grain dealer failure. This is a voluntary insurance program. A producer who participates in the program would be covered against losses from grain dealer failure; a producer who did not participate would not be covered against such losses.

The Farm Produce Insurance Authority<sup>1</sup> is a public body housed within the Michigan Department of Agriculture and Rural Development (MDARD), but is not a part of the department. The authority exercises its own prescribed statutory powers, duties, and functions, including budgeting, independently of MDARD, the MDARD director, and the Commission of Agriculture and Rural Development.

### FISCAL IMPACT:

The bill would not have a material fiscal impact on state or local government.

Fiscal Analyst: William E. Hamilton

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

<sup>1</sup> <https://www.michigan.gov/mdard/about/boards/farm-produce-insurance-authority>