INTRODUCED BY Murphy Malon 1 2 BY REQUEST OF THE DEPARTMENT OF LIVESTOCK 3 La.

5 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING THE 6 INVESTMENT OF THE FUNDS OF CERTAIN EARNARKED ACCOUNTS OF THE 7 DEPARTMENTS OF LIVESTOCK AND AGRICULTURE: DIRECTING THAT THE 8 INCOME FROM SUCH INVESTMENTS BE CREDITED TO THE ACCOUNT FROM 9 WHICH THE INVESTMENT IS MADE: AND GENERALLY CLARIFYING 10 LANGUAGE: AMENDING SECTIONS 3-2917, 3-233, 3-2033, AND 11 82-1507, R.C.H. 1947."

12

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NONTAWA:
 Section 1. There is a new R.C.M. section numbered

15 46-105.1 that reads as follows:

46-105.1. Investment of earmarked revenue account 16 17 funds --- crediting of investment income. The board may direct the board of investments to invest funds from the 18 earmarked revenue accounts of the department pursuant to the 19 20 provisions of the unified investment program for state funds. The income from such investments shall be credited to 21 the earmarked account of the department from which the 22 23 investment is made.

24 Section 2. Section 3-2917, R.C.M. 1947, is amended to 25 read as follows:

INTRODUCED BILL

1 "3-2917. Research and marketing account -- sources --2 use --- expenditures. (1) There shall be an account in the federal and private revenue fund known as the wheat research з а and marketing account. The following shall be placed in the account: 5 б (a) The the proceeds of all mileage levies collected 7 under this chapter-; and (b) The the proceeds from all gifts, grants, or R q donations to the department for research authorized under 10 this chapter. 11 (2) The account shall be maintained for the purposes of this chapter and shall be separate from all other 12 13 accounts of the department. 14 (3) The department may direct the board of investments 15 to invest funds from the account pursuant to the provisions 16 of the unified investment program for state funds. The 17 income from such investments shall be credited to the wheat 18 research and marketing account." Section 3. Section 82-1507, R.C.E. 1947, is amended to 19 20 read as follows: 21 "82-1507. Scope and object of levy -- reserve. (1) In making the levy provided in the preceding section [82-1506], 22 23 the state board of hail insurance shall provide for: (a) The the payment of all expenses of administration. 24 25 together with all interest owed or to be owing on registered

-2-

SBLG

1 warrantsvi

2 (b) For that portion of the losses incurred during the 3 current year which are not paid from funds drawn from the 4 reserver:

5 (c) For the maintenance of the reserve. a part or all of which may be used in any one year for the purpose of 6 7 paying the costs of administration, interest on the 8 warrants, and losses as the same shall be settled and 9 adjusted by the said board, including the losses sustained 10 in any prior year or years under the state hail insurance 11 law during or subsequent to the year 1919 that have not been 12 paid.

13 (d) (2) If at the end of any hail insurance season the 14 state board of-hail-insurance determines and finds that more 15 funds are accumulating from the current year's levies than 16 were estimated when the levy was made, and which funds are 17 in excess of the need for the payment of losses and expenses and maintenance of the reserve, the state board of heal 18 insurance way, at its discretion, refund to the farmers 19 insured for the said year, on a pro rata or percentage 20 21 tasis, the excess.

22 (2) (3) Each year when the hail board makes its annual 23 levy for the payment of current losses, expenses of 24 administration, and for an addition to the reserve if 25 conditions permit, it shall may not increase the levy enough in any year so that such addition to the reserve will exceed
 five-per-sent (5%) of the maximum risk written for that
 year.

4 (3)(4) The reserve fund shall may not exceed four 5 million dollars (\$4,000,000) <u>\$4 million</u> prior to January 1, 6 1976. On January 1, 1976, and thereafter the maximum 7 permissible reserve fund shall be established as set forth 8 in subsection (4)(5) of this section.

9 (4)(5) The board may engage the services of a 10 qualified actuary to conduct an actuarial valuation of the 11 reserve. This valuation shall include the actuary's 12 determination of the amount of reserve necessary to absorb 13 all reasonably anticipated catastrophic losses. This amount 14 shall be the maximum permissible reserve fund for the next 15 year.

(6) The reserve hereby created shall be deposited 16 in the agency fund and the state board of hail incurance is 17 hereby granted the power to draw from its soneys in said the 19 fund such asounts as it aav-dees considers necessary for the 19 purpose of paying costs of administration, interest, and 20 losses, and provided further, that whosever Whenever there 21 are no unpaid losses for prior years and whenever in any one 22 (1) year the cost of administration, interest, and losses 23 for the current year skall be are less than the sum of sixty 24 60 cents (60#) per acre on nonirrigated grains and a 25

LC 0454/01

proportionate amount on irrigated grains and other crops, the state board of bail-insurance shall may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and costs of administration, shall esseed exceeds the amount of the estimate made by the state board of bail insurance.

8 (7) The board of bail insurance may direct the board 9 of investments to invest funds from the agency fund pursuant 10 to the provisions of the unified investment program for 11 state funds. The income from such investments shall be 12 credited to the board of bail insurance account in the 13 agency fund."

Section 4. Section 3-233, R.C.H. 1947, is amended to
read as follows:

"3-233, Fees - disposition, (1) All fees and other 16 charges fixed by the department, including fees for the 17 inspection, grading, weighing, and protein-testing of grain, 18 shall be kept as near the actual cost of the services as 19 20 possible. All those fees and charges shall be paid to the department and deposited with the state treasurer. The state 21 treasurer shall place all the fees and charges in the 22 earmarked revenue fund. Fees deposited in the earmarked 23 24 revenue fund may be used to pay claims for expense incurred in inspecting, grading, weighing, and protein-testing of 25

1 grain, when the claims have been approved as provided by 2 law. 3 (2) The department may direct the board of investments 4 to invest funds from the earmarked revenue fund pursuant to the provisions of the unified investment program for state 5 6 funds. The income from such investments shall be credited to 7 the proper department account in the earmarked revenue 8 fund." 9 Section 5. Section 3-2033, R.C.M. 1947, is amended to read as follows: 10 11 "3-2033. Deposit of fees. (1) All fees collected for permits, registration, and inspection shall be deposited in 12 13 the state treasury to the credit of the earmarked revenue fund for the purpose of administering this act, including 14 15 the cost of equipaent and facilities and the cost of 16 inspecting, analyzing, and examining commercial feeds

17 manufactured or distributed in this state and the cost of 18 developing better analytical methods, and means of 19 evaluating the value or the potential toxic qualities of a 20 feed.

(2) The department may direct the board of investments

22 to invest funds from the earmarked revenue fund pursuant to

21

- 23 the provisions at the unified investment program for state
- 24 funds. The income from such investments shall be credited to
- 25 the proper department account in the earmarked revenue

1 <u>fund.</u>"

•

4

-End-

STATE OF MONTANA

REQUEST NO. 406-77

FISCAL NOTE

Form BD-15

In compliance with a written request received <u>2-10</u>, 19 <u>77</u>, there is hereby submitted a Fiscal Note for <u>Senate Bill 63</u> pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 63 provides that investment income from certain earmarked accounts of the Department of Livestock and Agriculture be credited to the account from which the investment is made.

FISCAL IMPACT:

If Senate Bill 63 is enacted into law the following amounts will be deposited into various earmarked revenue fund or agency fund accounts instead of the General Fund.

	FY78	FY79
Department of Livestock	\$ 12,000	\$ 3,000
Department of Agriculture	88,792	94,252
	<u>\$100,792</u>	<u>\$ 97,252</u>

BUDGET DIRECTOR \bigcirc Office of Budget and Program Planning Date: $_2 - 14 - 77$

Approved by Committee on Agrigulture Livestock & Irrigation denate BILL NO. 63 1 INTRODUCED BY Murchus 2 BY REQUEST OF THE DEPARTMENT OF LIVESTOCK 3 a A BILL FOR AN ACT ENTITLED: "AN ACT PERBITTING THE 5 6 THVESTMENT OF THE FUNDS OF CERTAIN EACHARKED ACCOUNTS OF THE DEPARTMENTS OF LIVESTOCK AND AGRICULTURE; DIRECTING THAT THE 7 INCOME FROM SUCH INVESTMENTS BE CREDITED TO THE ACCOUNT FROM 8 9 WHICH THE INVESTMENT IS MADE: AND GENERALLY CLARIFYING 10 LANGUAGE: AMENDING SECTIONS 3-2917, 3-233, 3-2033, AND 82-1507, R.C.B. 1947." 11 12

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. There is a new R.C.M. section numbered
15 46-105.1 that reads as follows:

16 46-105.1. Investment of earmarked revenue account funds -- crediting of investment income. The board may 17 direct the board of investments to invest funds from the 18 earmarked revenue accounts of the department pursuant to the 19 provisions of the unified investment program for state 20 funds. The income from such investments shall be credited to 21 the earmarked account of the department from which the 22 23 investment is made.

24 Section 2. Section 3-2917, R.C.M. 1947, is amended to 25 read as follows:

1 "3-2917. Research and marketing account --- sources ---2 use --- expenditures. (1) There shall be an account in the 3 federal and private revenue fund known as the wheat research and marketing account. The following shall be placed in the t. 5 account: (a) The the proceeds of all mileage levies collected 6 7 under this chapter; and 8 (b) The the proceeds from all gifts, grants, or donations to the department for research authorized under 9 10 this chapter. 11 (2) The account shall be maintained for the purposes 12 of this chapter and shall be separate from all other accounts of the department. 13 14 (3) The department may direct the board of investments 15 to invest funds from the account pursuant to the provisions 16 of the unified investment program for state funds. The 17 income from such investments shall be credited to the wheat 18 research and marketing account." 19 Section 3. Section 82-1507, R.C.E. 1947, is amended to 2.0 read as follows: 21 "82-1507. Scope and object of levy - reserve. (1) In making the levy provided in the preseding section - f 82-1506-1, 22 23 the state board of hail insurance shall provide for: (a) The the payment of all expenses of administration, 24 25 together with all interest owed or to be owing on registered

-2-

SBLA

SECOND READING

1 warrantsw;

2 (b) For that portion of the losses incurred during the 3 current year which are not paid from funds drawn from the 4 reserver:

5 (c) For the maintenance of the reserve, a part or all of which may be used in any one year for the purpose of 6 7 paying the costs of administration, interest on the warrants, and losses as the same shall be settled and 8 9 adjusted by the said board, including the losses sustained 10 in any prior year or years under the state hail insurance 11 law during or subsequent to the year 1919 that have not been 12 paid.

13 (d) (2) If at the end of any hail insurance season the 14 state board of hail insurance determines and finds that more funds are accumulating from the current year's levies than 15 16 were estimated when the levy was made, and which funds are 17 in excess of the need for the payment of losses and expenses and maintenance of the reserve, the state board of hail 18 19 insurance may, at its discretion, refund to the farmers insured for the said year, on a pro rata or percentage 20 21 basis, the excess.

22 (3) (3) Each year when the hail board makes its annual 23 levy for the payment of current losses, expenses of 24 administration, and for an addition to the reserve if 25 conditions permit, it oball may not increase the levy enough in any year so that such addition to the reserve will exceed
 five-per-sent-(5%) of the maximum risk written for that
 year.

4 (3) (4) The reserve fund shall may not exceed four 5 million dollars (\$4,000,000) \$4 million prior to January 1, 6 1976. On January 1, 1976, and thereafter the maximum 7 permissible reserve fund shall be established as set forth 8 in subsection (4) (5) of this section.

9 (4)(5) The board may engage the services of a 10 qualified actuary to conduct an actuarial valuation of the 11 reserve. This valuation shall include the actuary's 12 determination of the amount of reserve necessary to absorb 13 all reasonably anticipated catastrophic losses. This amount 14 shall be the maximum permissible reserve fund for the next 15 year.

(5)-(6) The reserve hereby created shall be deposited 16 17 in the agency fund and the state board of hail insurance is hereby granted the power to draw from its moneys in said the 18 19 fund such amounts as it any doom considers necessary for the purpose of paying costs of administration, interest, and 20 losses, and provided further, that whenever Whenever there 21 are no unpaid losses for prior years and whenever in any one 22 (1) year the cost of administration, interest, and losses 23 for the current year shall be are less than the sum of simty 24 25 60 cents (60#) per acre on nonirrigated grains and a

-3-

-4-

proportionate amount on irrigated grains and other crops. 1 the state board of bail insurance shall may not draw on the 2 reserve for any purpose unless the amount required for the 3 payment of losses for the current year. including interest £. on warrants and costs of administration, shall-osseed 5 exceeds the amount of the estimate made by the state board 6 7 of-hail-insurance.

(7) The board of hail insurance may direct the board 8 of investments to invest funds from the agency fund pursuant 9 to the provisions of the unified investment program for 10 state funds. The income from such investments shall be 11 credited to the board of hail insurance account in the 12 agency fund," 13

14 Section 4. Section 3-233, R.C.M. 1947, is amended to read as follows: 15

"3-233. Fees -- disposition. (1) All fees and other 16 charges fixed by the department, including fees for the 17 inspection, grading, weighing, and protein-testing of grain, 19 19 shall be kept as near the actual cost of the services as possible. All those fees and charges shall be paid to the 20 21 department and deposited with the state treasurer. The state 22 treasurer shall place all the fees and charges in the earmarked revenue fund. Fees deposited in the earmarked 23 revenue fund may be used to pay claims for expense incurred 24 in inspecting, grading, weighing, and protein-testing of 25

-5--

-6-

grain, when the claims have been approved as provided by 1 2 law.

3 (2) The department may direct the board of investments to invest funds from the earmarked revenue fund pursuant to 4 the provisions of the unified investment program for state 5 6 funds. The income from such investments shall be credited to the proper department account in the earmarked revenue 7 8 fund." 9 Section 5. Section 3-2033, R.C.M. 1947, is amended to read as follows: 10 "3-2033. Deposit of fees. (1) All fees collected for 11 12 permits, registration, and inspection shall be deposited in the state treasury to the credit of the earmarked revenue 13 fund for the purpose of administering this act, including 14 15 the cost of equipment and facilities and the cost of inspecting, analyzing, and examining commercial feeds 16 17 manufactured or distributed in this state and the cost of developing better analytical methodsy and means of 18 19 evaluating the value or the potential toxic qualities of a 20 feed. 21

(2) The department may direct the board of investments

- 22 to invest funds from the earmarked revenue fund pursuant to
- 23 the provisions at the unified investment program for state
- 24 funds. The income from such investments shall be credited to
- 25 the proper department account in the earmarked revenue

1 <u>fund.</u>"

.

-End-

INTRODUCED BY Murphy Malon 1 2 BY REQUEST OF THE DEPARTMENT OF LIVESTOCK 3 a.

5 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING THE 6 INVESTMENT OF THE FUNDS OF CERTAIN BARMARKED ACCOUNTS OF THE 7 DEPARTMENTS OF LIVESTOCK AND AGRICULTURE; DIRECTING THAT THE 8 INCOME FROM SUCH INVESTMENTS BE CREDITED TO THE ACCOUNT FROM 9 WHICH THE INVESTMENT IS MADE; AND GENERALLY CLARIFYING 10 LANGUAGE; AMENDING SECTIONS 3-2917, 3-233, 3-2033, AND 11 82-1507, R.C.S. 1947."

12

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HONTANA:

14 Section 1. There is a new B.C.S. section numbered
15 46-105.1 that reads as follows:

46-105.1. Investment of earmarked revenue account 16 funds --- crediting of investment income. The board may 17 direct the board of investments to invest funds from the 18 earmarked revenue accounts of the department pursuant to the 19 provisions of the unified investment program for state 20 funds. The income from such investments shall be credited to 21 the earmarked account of the department from which the 22 23 investment is made.

24 Section 2. Section 3-2917, R.C.H. 1947, is amended to 25 read as follows:

THIRD READING

1 "3-2917, Research and marketing account -- sources --use --- expenditures. (1) There shall be an account in the 2 3 federal and private revenue fund known as the wheat research and marketing account. The following shall be placed in the account: 5 6 (a) The the proceeds of all mileage levies collected 7 under this chapter-; and (b) The the proceeds from all gifts, grants, or 8 9 donations to the department for research authorized under this chapter. 10 (2) The account shall be maintained for the purposes 11 of this chapter and shall be separate from all other 12 13 accounts of the department. 14 (3) The department may direct the board of investments 15 to invest funds from the account pursuant to the provisions of the unified investment program for state funds. The 16 17 income from such investments shall be credited to the _ wheat 18 research and marketing account." 19 Section 3. Section 82-1507, R.C.E. 1947, is amended to read as follows: 20 21 "82-1507, Scope and object of levy -- reserve. (1) In making the levy provided in the-proceeding-section-[82-1506], 22 23 the state board of hail insurance shall provide for: (a) the the payment of all expenses of administration, 24 25 together with all interest owed or to be owing on registered

-2-

SBLA

2 (b) For that portion of the losses incurred during the 3 current year which are not paid from funds drawn from the 4 reserver:

5 (C) For the maintenance of the reserve, a part or all б of which may be used in any one year for the purpose of 7 paying the costs of administration, interest on the 8 warrants, and losses as the same shall be settled and adjusted by the said board, including the losses sustained 9 10 in any prior year or years under the state hail insurance 11 law during or subsequent to the year 1919 that have not been 12 paid.

13 (4)(2) If at the end of any hail insurance season the 14 state board of hail insurance determines and finds that more 15 funds are accumulating from the current year's levies than 16 were estimated when the levy was made, and which funds are 17 in excess of the need for the payment of losses and expenses 18 and maintenance of the reserve, the state board of hail 19 insurance say, at its discretion, refund to the farmers 20 insured for the said year, on a pro rata or percentage 21 basis, the excess.

22 (3) (3) Each year when the bail board makes its annual 23 levy for the payment of current losses, expenses of 24 administration, and for an addition to the reserve if 25 conditions permit, it shall may not increase the levy enough in any year so that such addition to the reserve will exceed
five-per-cent-(5%) of the maximum risk written for that
year.

4 (3) (4) The reserve fund shall may not exceed four 5 million-dellars (\$4,000,000) \$4 million prior to January 1, 6 1976. On January 1, 1976, and thereafter the maximum 7 permissible reserve fund shall be established as set forth 8 in subsection (4) (5) of this section.

9 <u>(4)(5)</u> The board may engage the services of a 10 gualified actuary to conduct an actuarial valuation of the 11 reserve. This valuation shall include the actuary's 12 determination of the amount of reserve necessary to absorb 13 all reasonably anticipated catastrophic losses. This amount 14 shall be the maximum permissible reserve fund for the next 15 year.

16 (5)-(6) The reserve hereby created shall be deposited in the agency fund and the state board of hall incurance is 17 18 hereby granted the power to draw from its moneys in said the 19 fund such amounts as it may deem considers necessary for the purpose of paying costs of administration, interest, and 20 21 losses, and provided further, that whenever Whenever there 22 are no unpaid losses for prior years and whenever in any one (1) year the cost of administration, interest, and losses 23 for the current year shall be are less than the sum of simey 24 60 cents (60#) per acre on nonirrigated grains and a 25

LC 0454/01

1

2

proportionate amount on irrigated grains and other crops, the state board of beil-insurance shall may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and costs of administration, shall exceed exceeds the amount of the estimate made by the state board of hail insurance.

8 (7) The board of hail insurance may direct the board 9 of investments to invest funds from the agency fund pursuant 10 to the provisions of the unified investment program for 11 state funds. The income from such investments shall be 12 credited to the board of hail insurance account in the 13 agency fund."

14 Section 4. Section 3-233, R.C.E. 1947, is amended to
15 read as follows:

"3-233. Fees - disposition, (1) All fees and other 16 17 charges fixed by the department, including fees for the inspection, grading, weighing, and protein-testing of grain, 18 shall be kept as near the actual cost of the services as 19 possible. All those fees and charges shall be paid to the 20 department and deposited with the state treasurer. The state 21 treasurer shall place all the fees and charges in the 22 earmarked revenue fund. Fees deposited in the earmarked 23 revenue fund may be used to pay claims for expense incurred 24 in inspecting, grading, weighing, and protein-testing of 25

grain, when the claims have been approved as provided by law.

3 (2) The department may direct the board of investments 4 to invest funds from the earmarked revenue fund parsuant to 5 the provisions of the unified investment program for state 6 funds. The income from such investments shall be credited to 7 the proper department account in the earmarked revenue 8 fund."

9 Section 5. Section 3-2033, R.C.H. 1947, is amended to
10 read as follows:

11 "3-2033. Deposit of fees. (1) All fees collected for 12 permits, registration, and inspection shall be deposited in 13 the state treasury to the credit of the earmarked revenue 14 fund for the purpose of administering this act, including 15 the cost of equipment and facilities and the cost of 16 inspecting, analyzing, and examining commercial feeds 17 manufactured or distributed in this state and the cost of 18 developing better analytical methods, and means of evaluating the value or the potential toxic qualities of a 19 20 feed.

21 (2) The department may direct the board of investments
22 to invest funds from the earmarked revenue fund pursuant to
23 the provisions at the unified investment program for state
24 funds. The income from such investments shall be credited to
25 the proper_department account in the earmarked revenue

-5-

-6-

r.

1 <u>fund.</u>"

1

-End-

INTRODUCED BY Murchus Melson & 1 2 BY REQUEST OF THE DEPARTMENT OF LIVESTOCK З

5 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING THE 6 INVESTMENT OF THE FUNDS OF CERTAIN BARMARKED ACCOUNTS OF THE 7 DEPARTMENTS OF LIVESTOCK AND AGRICULTURE; DIRECTING THAT THE 8 INCOME FROM SUCH INVESTMENTS BE CREDITED TO THE ACCOUNT FROM 9 WHICH THE INVESTMENT IS MADE; AND GENERALLY CLARIFYING 10 LANGUAGE; AMENDING SECTIONS 3-2917, 3-233, 3-2033, AND 11 82-1507, R.C.M. 1947."

12

a

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HORTANA:

14 Section 1. There is a new R.C.S. section numbered
15 46-105.1 that reads as follows:

16 46-105.1. Investment of earmarked revenue account funds --- crediting of investment income. The board may 17 direct the board of investments to invest funds from the 18 earmarked revenue accounts of the department pursuant to the 19 provisions of the unified investment program for state 20 funds. The income from such investments shall be credited to 21 the earmarked account of the department from which the 22 investment is made. 23

24 Section 2. Section 3-2917, R.C.H. 1947, is amended to 25 read as follows:

1 "3-2917. Research and marketing account --- sources ----2 use --- expenditures. (1) There shall be an account in the a federal and private revenue fund known as the wheat research and marketing account. The following shall be placed in the 5 account: (a) The the proceeds of all mileage levies collected 6 7 under this chapter riand я (b) The the proceeds from all gifts, grants, or donations to the department for research authorized under 9 10 this chapter. 11 (2) The account shall be maintained for the purposes 12 of this chapter and shall be separate from all other 13 accounts of the department. 14 (3) The department may direct the board of investments 15 to invest funds from the account pursuant to the provisions 16 of the unified investment program for state funds. The 17 income from such investments shall be credited to the wheat 18 research and marketing account." Section 3. Section 82-1507, R.C.E. 1947, is amended to 19 read as follows: 20 21 #82-1507. Scope and object of levy - reserve. (1) In making the levy provided in the preceding soution [82-1506], 22 23 the state board of hail insurance shall provide for: 24 (a) The the payment of all expenses of administration, 25 together with all interest owed or to be owing on registered

-2-

SB69

1 warrants-;

2 (b) For that portion of the losses incurred during the 3 current year which are not paid from funds drawn from the 4 reserve-:

5 (c) For the maintenance of the reserve, a part or all 6 of which may be used in any one year for the purpose of 7 paying the costs of administration, interest on the B warrants, and losses as the same shall be settled and 9 adjusted by the said board, including the losses sustained 10 in any prior year or years under the state hail insurance 11 law during or subsequent to the year 1919 that have not been 12 paid.

13 (a) (2) If at the end of any hail insurance season the 14 state board of hail insurance determines and finds that more 15 funds are accumulating from the current year's levies than were estimated when the levy was made, and which funds are 16 17 in excess of the need for the payment of losses and expenses 18 and maintenance of the reserve, the state board of hail 19 insurance may, at its discretion, refund to the farmers insured for the said year, on a pro rata or percentage 20 basis, the excess. 21

22 (2) (3) Each year when the hail board makes its annual 23 levy for the payment of current losses, expenses of 24 administration, and for an addition to the reserve if 25 conditions permit, it eball may not increase the levy enough in any year so that such addition to the reserve will exceed
five-per-sent-(5%) of the maximum risk written for that
year.

4 (3)(9) The reserve fund shall may not exceed four 5 million-dollare (\$4,000,000) <u>\$4 million</u> prior to January 1, 6 1976. On January 1, 1976, and thereafter the maximum 7 permissible reserve fund shall be established as set forth 8 in subsection (4)(5) of this section.

9 (4)(5) The board may engage the services of a 10 qualified actuary to conduct an actuarial valuation of the 11 reserve. This valuation shall include the actuary's 12 determination of the amount of reserve necessary to absorb 13 all reasonably anticipated catastrophic losses. This amount 14 shall be the maximum permissible reserve fund for the next 15 year.

16 (5)-(6) The reserve hereby created shall be deposited 17 in the agency fund and the state board of hail insurance is hereby granted the power to draw from its moneys in said the 18 19 fund such amounts as it may doom considers necessary for the purpose of paying costs of administration, interest, and 20 losses, and provided further, that whenever Whenever there 21 22 are no unpaid losses for prior years and whenever in any one 23 (1) year the cost of administration, interest, and losses for the current year shall be are less than the sum of sixty 24 60 cents (604) per acre on nonirrigated grains and a 25

-3-

-4-

proportionate amount on irrigated grains and other crops, the state board of beil insurance shall may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and costs of administration, shall encode exceeds the amount of the estimate made by the state board of bail insurance.

8 (7) The board of bail insurance may direct the board 9 of investments to invest funds from the agency fund pursuant 10 to the provisions of the unified investment program for 11 state funds. The income from such investments shall be 12 credited to the board of hail insurance account in the 13 agency fund."

Section 4. Section 3-233, R.C.H. 1947, is amended to
read as follows:

16 *3-233. Fees -- disposition. (1) All fees and other charges fixed by the department, including fees for the 17 18 inspection, grading, weighing, and protein-testing of grain, 19 shall be kept as near the actual cost of the services as possible. All those fees and charges shall be paid to the 20 department and deposited with the state treasurer. The state 21 22 treasurer shall place all the fees and charges in the earmarked revenue fund. Fees deposited in the earmarked 23 24 revenue fund may be used to pay claims for expense incurred 25 in inspecting, grading, weighing, and protein-testing of grain, when the claims have been approved as provided by
 law.

3 (2) The department may direct the board of investments 8 to invest funds from the carmarked revenue fund pursuant to 5 the provisions of the unified investment program for state 6 funds. The income from such investments shall be credited to 7 the proper department account in the earmarked revenue 8 fund." 9 Section 5. Section 3-2033, R.C.H. 1947, is amended to 10 read as follows: 11 "3-2033. Deposit of fees. (1) All fees collected for 12 permits, registration, and inspection shall be deposited in 13 the state treasury to the credit of the earnarked revenue 16 fund for the purpose of administering this act, including 15 the cost of equipment and facilities and the cost of inspecting, analyzing, and examining connercial feeds 16 17 manufactured or distributed in this state and the cost of 18 developing better analytical methods, and means of 19 evaluating the value or the potential toxic qualities of a 20 feed. 21 (2) The department may direct the board of investments

- 22 to invest funds from the earmarked revenue fund pursuant to
- 23 the provisions at the unified investment program for state
- 24 <u>funds. The income from such investments shall be credited to</u>
- 25 the proper department account in the earmarked revenue

-5--

.

1 <u>fund.</u>"

-End-