

CHAPTER 479

(House Bill 1389)

AN ACT concerning

Agriculture – Crop Insurance Premium Program – Cost Share

FOR the purpose of altering the Maryland Crop Insurance Premium Program to include a certain cost share element in order to increase participation by farmers in the State in the Federal Crop Insurance Program; authorizing the Secretary of Agriculture to make a certain payment for certain qualifying crop insurance products; prohibiting a cost share payment from exceeding a certain amount; requiring the Secretary to submit a certain annual report to the Governor and the General Assembly by a certain date; requiring the Secretary to adopt certain regulations by a certain date; and generally relating to crop insurance for farmers in the State.

BY repealing and reenacting, with amendments,

Article – Agriculture

Section 2–901 to be under the amended subtitle “Subtitle 9. Maryland Crop Insurance Premium Cost Share Program”

Annotated Code of Maryland

(1999 Replacement Volume and 2006 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Agriculture

Subtitle 9. Maryland Crop Insurance Premium **COST SHARE** Program.

2–901.

(a) There is a Maryland Crop Insurance Premium **COST SHARE** Program which is established for the purpose of [encouraging eligible farmers to participate] **INCREASING PARTICIPATION BY FARMERS IN THE STATE** in the Federal Crop Insurance Program [administered by the United States Department of Agriculture] **AND REDUCING A FARMER’S ECONOMIC LOSSES THAT RESULT FROM NATURAL DISASTERS AND MARKET VOLATILITY.**

(b) (1) (I) The Secretary may [pay a farmer eligible to participate in the Federal Crop Insurance Program not more than \$2 per acre for any Federal Crop Insurance premium paid by the farmer] **PROVIDE A COST SHARE PAYMENT FOR A QUALIFYING FEDERAL CROP INSURANCE PRODUCT PURCHASED BY A FARMER IN THE STATE.**

(II) **A COST SHARE PAYMENT MADE UNDER THIS SECTION MAY NOT EXCEED ~~10%~~ 8% OF THE NET BOOK PREMIUM, AS ESTABLISHED BY THE FEDERAL CROP INSURANCE CORPORATION WITHIN THE RISK MANAGEMENT AGENCY OF THE UNITED STATES DEPARTMENT OF AGRICULTURE.**

(2) (I) The Department may distribute money under the Maryland Crop Insurance Premium **COST SHARE** Program from funds provided in the budget.

(II) **THE SECRETARY SHALL SUBMIT AN ANNUAL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON OR BEFORE AUGUST 1 OF EACH YEAR THAT PROVIDES AN ESTIMATE OF THE AMOUNT OF FUNDS NEEDED TO PAY ~~10%~~ 8% OF THE NET BOOK PREMIUM FOR QUALIFYING FEDERAL CROP INSURANCE PRODUCTS EXPECTED TO BE PURCHASED BY FARMERS IN THE STATE IN THE FOLLOWING CROP YEAR.**

(c) (1) The Secretary may adopt regulations to implement the provisions of this subtitle.

(2) **ON OR BEFORE JANUARY 1, 2008, THE SECRETARY SHALL ADOPT REGULATIONS THAT ESTABLISH THE QUALIFICATIONS FOR A FARMER'S ELIGIBILITY TO RECEIVE A COST SHARE PAYMENT FOR CROP INSURANCE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.