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SENATE BILL NO. 1193

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance and Appropriations
on January 27, 2021)

(Patron Prior to Substitute—Senator Obenshain)

A BILL to amend the Code of Virginia by adding in Title 3.2 a chapter numbered 33.1, consisting of sections numbered 3.2-3304 through 3.2-3307, relating to Dairy Producer Margin Coverage Premium Assistance Program.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 3.2 a chapter numbered 33.1, consisting of sections numbered 3.2-3304 through 3.2-3307, as follows:

CHAPTER 33.1.

DAIRY PRODUCER MARGIN COVERAGE PREMIUM ASSISTANCE PROGRAM.

§ 3.2-3304. Definitions.

For the purposes of this chapter, unless the context requires a different meaning:

"DCR" means the Department of Conservation and Recreation.

"Farm Act" means the federal Agriculture Improvement Act of 2018, P.L. 115-334.

"Federal coverage program" means the federal margin coverage program for dairy producers as contained in the Farm Act.

"Fund" means the Dairy Producer Margin Coverage Premium Assistance Fund created pursuant to § 3.2-3305.

"Program" means the Dairy Producer Margin Coverage Premium Assistance Program created pursuant to this chapter.

§ 3.2-3305. Dairy Producer Margin Coverage Premium Assistance Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Dairy Producer Margin Coverage Premium Assistance Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of assisting dairy producers that participate in the federal coverage program as provided in § 3.2-3306. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner.

§ 3.2-3306. Dairy Producer Margin Coverage Premium Assistance Program.

A. The Commissioner shall establish and administer the Dairy Producer Margin Coverage Premium Assistance Program to assist dairy producers that participate in the federal coverage program. The Board shall adopt regulations to implement the Program.

B. Any dairy producer in the Commonwealth that participates in the federal coverage program at the first-tier coverage level and (i) has a resource management plan and has been certified as having implemented such plan by, or is in the process of having such plan reviewed by, DCR or a local soil and water conservation district or (ii) has a nutrient management plan that has been approved by, or is currently being reviewed by, DCR shall be eligible to apply to participate in the Program. An eligible dairy producer shall apply to the Department by February 1 of each year to participate.

C. To the extent that funds are available in the Fund, the Department shall reimburse any participating dairy producer that has paid an annual federal premium payment at the tier 1 level in accordance with the Farm Act and provides proof of such payment to the Department. The Department shall reimburse applicants in the order in which their applications were received. After the Fund is exhausted, applicants shall no longer be eligible during that year for reimbursement by the Commonwealth.

§ 3.2-3307. Expiration of chapter.

The provisions of this chapter shall expire upon the expiration or repeal of the Farm Act. Upon the expiration of the provisions of this chapter, any money remaining in the Fund shall revert to the general fund.

2. That the provisions of this act shall not become effective unless an appropriation effectuating the purposes of this act is included in a general appropriation act passed in 2021 by the General Assembly that becomes law.