

January 28, 1998

---

---

## HOUSE BILL No. 1096

---

DIGEST OF HB1096 (Updated January 26, 1998 1:06 pm - DI 02)

**Citations Affected:** IC 26-3-7; IC 26-4-1-13.

**Synopsis:** Grain buyers law. Adds popcorn and grain purchased for sale as seed to the definition of "grain". Changes references in the Indiana grain buyers and warehouse licensing and bonding law from "minimum net worth" to "minimum positive net worth". Establishes requirements for a seed buyer's license issued by the Indiana grain buyers and warehouse licensing agency.

**Effective:** July 1, 1998.

---

---

**Grubb, Friend**

---

---

January 6, 1998, read first time and referred to Committee on Agriculture and Rural Development.  
January 27, 1998, reported — Do Pass.

---

---

HB 1096—LS 6737/DI 93



C  
O  
P  
Y

January 28, 1998

Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

## HOUSE BILL No. 1096

---

A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 26-3-7-2, AS AMENDED BY P.L.125-1997,  
2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 1998]: Sec. 2. The following definitions apply throughout this  
4 chapter:  
5 (1) "Agency" refers to the Indiana grain buyers and warehouse  
6 licensing agency established under section 1 of this chapter.  
7 (2) "Anniversary date" means the date that is ninety (90) calendar  
8 days after the fiscal year end of a business licensed under this  
9 chapter.  
10 (3) "Bin" means a bin, tank, interstice, or other container in a  
11 warehouse in which bulk grain may be stored.  
12 (4) "Buyer-warehouse" means a person that operates both as a  
13 warehouse licensed under this chapter and as a grain buyer.  
14 (5) "Claimant" means a person that is unable to secure satisfaction  
15 of the financial obligations due from a licensee under this chapter  
16 for grain that has been delivered to the licensee for sale or for  
17 storage under a bailment.

HB 1096—LS 6737/DI 93



C  
O  
P  
Y

- 1 (6) "Deferred pricing" means a purchase by a buyer in which title  
 2 to the grain passes to the buyer and the price to be paid to the  
 3 seller is not determined:  
 4 (A) at the time the grain is received by the buyer; or  
 5 (B) within ten (10) days of receipt.
- 6 (7) "Depositor" means any of the following:  
 7 (A) A person that delivers grain to a licensee under this  
 8 chapter for storage or sale.  
 9 (B) A person that:  
 10 (i) owns or is the legal holder of a ticket or receipt issued by  
 11 a licensee for grain received by the licensee; and  
 12 (ii) is the creditor of the issuing licensee for the value of the  
 13 grain received in return for the ticket or receipt.  
 14 (C) A licensee that stores grain that the licensee owns solely,  
 15 jointly, or in common with others in a warehouse owned or  
 16 controlled by the licensee or another licensee.
- 17 (8) "Designated representative" means the person or persons  
 18 designated by the director to act instead of the director in assisting  
 19 in the administration of this chapter.
- 20 (9) "Facility" means a location or one (1) of several locations in  
 21 Indiana that are operated as a warehouse or by a grain buyer.
- 22 (10) "Failure" means any of the following:  
 23 (A) The inability of a licensee to financially satisfy claimants.  
 24 (B) Public declaration of a licensee's insolvency.  
 25 (C) Revocation or suspension of a licensee's license, if the  
 26 licensee has outstanding indebtedness owed to claimants.  
 27 (D) Nonpayment of a licensee's debts in the ordinary course of  
 28 business, if there is not a good faith dispute.  
 29 (E) Voluntary surrender of a licensee's license, if the licensee  
 30 has outstanding indebtedness to claimants.
- 31 (11) "Grain" means corn, wheat, oats, barley, rye, sorghum,  
 32 soybeans, oil seeds, **and other agricultural commodities as**  
 33 **approved by the agency and includes grain grown for seed**  
 34 **use, but does not including include** canning crops for processing.  
 35 **As used in this subdivision, "corn" includes corn for all uses,**  
 36 **including popcorn, but not including sweet corn and flint**  
 37 **corn.**
- 38 (12) "Grain assets" means any of the following:  
 39 (A) All grain owned or stored by a licensee, including grain  
 40 that:  
 41 (i) is in transit following shipment by a licensee; and  
 42 (ii) has not been paid for.

C  
O  
P  
Y

- 1 (B) All proceeds, due or to become due, from the sale of a  
2 licensee's grain.
- 3 (C) Equity, less any secured financing directly associated with  
4 the equity, in hedging or speculative margin accounts of a  
5 licensee held by a commodity or security exchange, or a dealer  
6 representing a commodity or security exchange, and any  
7 money due the licensee from transactions on the exchange,  
8 less any secured financing directly associated with the money  
9 due the licensee from the transactions on the exchange.
- 10 (D) Any other unencumbered funds, property, or equity in  
11 funds or property, wherever located, that can be directly traced  
12 to the sale of grain by a licensee. However, funds, property, or  
13 equity in funds or property may not be considered encumbered  
14 unless:
- 15 (i) the encumbrance results from valuable consideration paid  
16 to the licensee in good faith by a secured party; and
- 17 (ii) the encumbrance did not result from the licensee posting  
18 the funds, property, or equity in funds or property as  
19 additional collateral for an antecedent debt.
- 20 (E) Any other unencumbered funds, property, or equity in  
21 assets of the licensee.
- 22 (13) "Grain bank grain" means grain owned by a depositor for use  
23 in the formulation of feed and stored by the warehouse to be  
24 returned to the depositor on demand.
- 25 (14) "Grain buyer" means a person who is engaged in the business  
26 of buying grain from producers. The term does not include a  
27 buyer of grain who:
- 28 (A) buys less than fifty thousand (50,000) bushels of grain  
29 annually; or
- 30 (B) buys grain for the sole purpose of feeding the person's own  
31 livestock or poultry, if:
- 32 (i) the person derives a major portion of the person's income  
33 from selling that livestock or poultry; and
- 34 (ii) the person does not offer storage, deferred pricing,  
35 delayed payment, or contracts or other instruments that are  
36 linked to the commodity futures or commodity options  
37 market.
- 38 (15) "Grain standards act" means the United States Grain  
39 Standards Act, approved August 11, 1916 (39 Stat. 482; 7 U.S.C.  
40 71-87 as amended).
- 41 (16) "License" means a license issued under this chapter.
- 42 (17) "Official grain standards of the United States" means the

C  
O  
P  
Y

1 standards of quality or condition for grain, fixed and established  
2 by the secretary of agriculture under the grain standards act.

3 (18) "Person" means an individual, partnership, corporation,  
4 association, or other form of business enterprise.

5 (19) "Receipt" means a warehouse receipt issued by a warehouse  
6 licensed under this chapter.

7 (20) "Ticket" means a scale weight ticket, a load slip, or other  
8 evidence, other than a receipt, given to a depositor upon initial  
9 delivery of grain to a facility.

10 (21) "Warehouse act" means the United States Warehouse Act,  
11 approved August 11, 1916, (39 Stat. 486; 7 U.S.C. 241-273 as  
12 amended).

13 (22) "Warehouse" means a person that operates a facility or group  
14 of facilities in which grain is or may be stored for hire or which is  
15 used for grain bank storage and which is operated under one (1)  
16 ownership and run from a single office.

17 SECTION 2. IC 26-3-7-4, AS AMENDED BY P.L.125-1997,  
18 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19 JULY 1, 1998]: Sec. 4. (a) A person may not operate a warehouse or  
20 conduct business as a grain buyer or buyer-warehouse without first  
21 having obtained the appropriate license from the agency, nor may a  
22 person continue to operate a warehouse or conduct business as a grain  
23 buyer or buyer-warehouse after the person's license has been revoked  
24 or suspended, except as provided in section 18 of this chapter.

25 (b) All facilities in Indiana that an applicant for a license uses to  
26 store or handle grain must qualify for a license and be licensed under  
27 this chapter before the applicant may operate a warehouse or conduct  
28 business as a grain buyer in Indiana. An applicant may not be licensed  
29 unless all of the applicant's facilities qualify for a license under this  
30 chapter. An applicant for a license must apply to the agency for a  
31 license that covers all facilities operated by the applicant for the storage  
32 or handling of grain in Indiana.

33 (c) If a licensee acquires an additional grain storage or handling  
34 facility in Indiana, the licensee shall promptly submit to the agency an  
35 amended application for licensure. A licensee shall promptly notify the  
36 agency of a material change to the licensee's operations, such as  
37 expansion of the amount of storage being used in the licensee's existing  
38 facilities or change of ownership of a facility, and shall provide the  
39 director with additional information the director may require. A  
40 licensee shall obtain the approval of the director before making use of  
41 increased storage or handling capacity.

42 (d) A licensee that acquires an additional grain storage or handling

C  
O  
P  
Y



1 facility that is required to be licensed shall not use the facility for the  
 2 storage or handling of grain until it qualifies for a license and is  
 3 licensed as provided in this chapter. If a licensed grain storage or  
 4 handling facility that a licensee operates in Indiana becomes ineligible  
 5 for a license at any time for any reason, it shall not be used for the  
 6 storage or handling of grain until the condition making it ineligible is  
 7 removed.

8 (e) A licensee shall maintain at least eighty percent (80%) of the  
 9 unpaid balance of grain payables in unencumbered assets represented  
 10 by the aggregate of the following:

- 11 (1) Company owned grain.
- 12 (2) Cash on hand.
- 13 (3) Cash held on account in federally or state licensed financial  
 14 institutions or lending institutions of the Federal Farm Credit  
 15 Administration.
- 16 (4) Investments held in time accounts with federally or state  
 17 licensed financial institutions.
- 18 (5) Direct obligations of the United States government.
- 19 (6) Balances in grain margin accounts determined by marking to  
 20 market.
- 21 (7) Balances due or to become due to the licensee on deferred  
 22 pricing contracts.
- 23 (8) Marketable securities, including mutual funds.
- 24 (9) Irrevocable letters of credit that are:
  - 25 (A) in favor of the agency;
  - 26 (B) acceptable to the agency; and
  - 27 (C) in addition to any letter of credit deposited with the  
 28 director to satisfy the bonding requirement of this chapter.
- 29 (10) Deferred pricing contract service charges due or to become  
 30 due to the licensee.
- 31 (11) Other evidence of proceeds from or of grain that is  
 32 acceptable to the agency.
- 33 (12) Other assets approved by the director.

34 (f) A licensee must have the minimum **positive** net worth specified  
 35 in section 16 of this chapter to hold any license or do business.

36 SECTION 3. IC 26-3-7-6, AS AMENDED BY P.L.125-1997,  
 37 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 1998]: Sec. 6. (a) The agency may issue the following  
 39 licenses:

- 40 (1) A grain bank license may be issued to a person that:
  - 41 (A) stores only grain bank grain;
  - 42 (B) has a storage capacity of not more than fifty thousand



C  
O  
P  
Y

- 1 (50,000) bushels of grain; and  
 2 (C) purchases less than fifty thousand (50,000) bushels of  
 3 grain per year.  
 4 (2) A warehouse license may be issued to a person that:  
 5 (A) stores grain; and  
 6 (B) purchases less than fifty thousand (50,000) bushels of  
 7 grain per year.  
 8 (3) A grain buyer license may be issued to a person that:  
 9 (A) purchases annually at least fifty thousand (50,000) bushels  
 10 of grain that are not for the sole purpose of feeding the  
 11 person's own livestock or poultry;  
 12 (B) does not store grain **for hire; and or**  
 13 (C) offers deferred pricing, delayed payments, or contracts  
 14 linked to the commodity futures or commodity options market  
 15 in connection with grain purchases.  
 16 (4) A buyer-warehouse license may be issued to a person that  
 17 operates both as a warehouse and as a grain buyer.  
 18 **(5) A seed buyer license may be issued to a person that:**  
 19 **(A) annually purchases at least fifty thousand (50,000)**  
 20 **bushels of seed that are not for the sole purpose of feeding**  
 21 **the person's own livestock or poultry;**  
 22 **(B) does not store seed for hire; or**  
 23 **(C) offers deferred pricing, delayed payments, or contracts**  
 24 **linked to the commodity futures or commodity options**  
 25 **market in connection with seed purchases.**  
 26 (b) An applicant shall file with the director a separate application  
 27 for each license or amendment of a license at the times, on the forms,  
 28 and containing the information that the director prescribes.  
 29 (c) An initial application for a license must be accompanied by a  
 30 license fee as follows:  
 31 (1) For a grain bank or for a warehouse or buyer-warehouse with  
 32 a storage capacity of less than two hundred fifty thousand  
 33 (250,000) bushels, two hundred fifty dollars (\$250) for the first  
 34 facility and fifty dollars (\$50) for each additional facility.  
 35 (2) For a warehouse or a buyer-warehouse with a storage capacity  
 36 of at least two hundred fifty thousand (250,000) bushels but less  
 37 than one million (1,000,000) bushels, five hundred dollars (\$500)  
 38 for the first facility and fifty dollars (\$50) for each additional  
 39 facility.  
 40 (3) For a warehouse or a buyer-warehouse with a storage capacity  
 41 of at least one million (1,000,000) bushels but less than ten  
 42 million (10,000,000) bushels, seven hundred fifty dollars (\$750)

C  
O  
P  
Y

1 for the first facility and fifty dollars (\$50) for each additional  
2 facility.

3 (4) For a warehouse or buyer-warehouse with a storage capacity  
4 greater than ten million (10,000,000) bushels, one thousand  
5 dollars (\$1,000) for the first facility and fifty dollars (\$50) for  
6 each additional facility.

7 (5) For a grain buyer, including a grain buyer that is also licensed  
8 as a warehouse under the warehouse act, five hundred dollars  
9 (\$500) for the first facility and fifty dollars (\$50) for each  
10 additional facility.

11 **(6) For a seed buyer, five hundred dollars (\$500) for the first**  
12 **facility and fifty dollars (\$50) for each additional facility.**

13 The director may prorate the initial application fee for a license that is  
14 issued at least thirty (30) days after the anniversary date of the  
15 licensee's business.

16 (d) Before the anniversary date of the license, the licensee shall pay  
17 an annual license fee in an amount equal to the amount required under  
18 subsection (c).

19 (e) A licensee or an applicant for an initial license must have a  
20 minimum current asset to current liability ratio of one (1) to one (1).

21 (f) An applicant for an initial license shall submit with the person's  
22 application a review level financial statement or better financial  
23 statement that reflects the applicant's financial situation on a date not  
24 more than fifteen (15) months before the date on which the application  
25 is submitted. Not more than ninety (90) days after the end of a  
26 licensee's fiscal year, the licensee shall file with the agency a current  
27 review level financial statement or better financial statement that  
28 reflects the licensee's financial situation for the fiscal year just ended.  
29 A financial statement submitted under this section must:

30 (1) be prepared by an independent accountant certified under  
31 IC 25-2.1;

32 (2) comply with generally accepted accounting principles; and

33 (3) contain:

34 (A) an income statement;

35 (B) a balance sheet;

36 (C) a statement of cash flow;

37 (D) a statement of retained earnings;

38 (E) the preparer's notes; and

39 (F) other information the agency may require.

40 The director may adopt rules under IC 4-22-2 to allow the agency to  
41 accept other substantial supporting documents instead of those listed  
42 if the director determines that providing the listed documents creates

C  
O  
P  
Y



1 a financial or other hardship on the applicant or licensee.

2 (g) An application for a license implies a consent to be inspected.

3 (h) A person that:

4 (1) does not operate a facility used to store grain;

5 (2) purchases:

6 (A) less than fifty thousand (50,000) bushels of grain per year;

7 or

8 (B) only grain used for the production of the person's own  
9 livestock; and

10 (3) does not:

11 ~~(A)~~ purchase grain;

12 ~~(B)~~ (A) offer deferred pricing;

13 ~~(C)~~ (B) offer delayed payment; or

14 ~~(D)~~ (C) offer other contracts;

15 that are linked to the commodity futures or commodity options  
16 market;

17 is not required to be licensed.

18 SECTION 4. IC 26-3-7-10, AS AMENDED BY P.L.125-1997,  
19 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 1998]: Sec. 10. (a) The minimum amount of bond, letter of  
21 credit, or cash deposit required from a licensee is as follows:

22 (1) For a grain bank license or a warehouse license:

23 (A) ten thousand dollars (\$10,000); or

24 (B) ten cents (\$0.10) multiplied by the licensed bushel storage  
25 capacity of the grain bank or warehouse;

26 whichever is greater.

27 (2) For a grain buyer, including a grain buyer that is also a  
28 licensee under the warehouse act:

29 (A) ten thousand dollars (\$10,000); or

30 (B) five-tenths percent (0.5%) of the total amount the grain  
31 buyer paid for grain purchased from producers during the  
32 grain buyer's fiscal year immediately preceding the date the  
33 bond, letter of credit, or cash deposit is due;

34 whichever is greater.

35 (3) For a buyer-warehouse:

36 (A) ten thousand dollars (\$10,000);

37 (B) ten cents (\$0.10) multiplied by the licensed bushel storage  
38 capacity of the buyer-warehouse's facility; or

39 (C) five-tenths percent (0.5%) of the total amount the  
40 buyer-warehouse paid for grain purchased from producers  
41 during the buyer-warehouse's fiscal year immediately  
42 preceding the date the bond, letter of credit, or cash deposit is

C  
O  
P  
Y



- 1 due;  
 2 whichever is greater.  
 3 **(4) For a seed buyer:**  
 4 **(A) ten thousand dollars (\$10,000); or**  
 5 **(B) five-tenths percent (0.5%) of the total amount the seed**  
 6 **buyer paid for seed purchased from producers during the**  
 7 **seed buyer's fiscal year immediately preceding the date the**  
 8 **bond, letter of credit, or cash deposit is due;**  
 9 **whichever is greater.**
- 10 (b) Except as provided in subsections (g) and (h), the amount of  
 11 bond, letter of credit, or cash deposit required by this chapter may not  
 12 exceed one hundred thousand dollars (\$100,000) per license and may  
 13 not exceed a total of five hundred thousand dollars (\$500,000) per  
 14 person.
- 15 (c) The licensed bushel storage capacity is the maximum number of  
 16 bushels of grain that the licensee's facility could accommodate as  
 17 determined by the director or the director's designated representative  
 18 and shall be increased or reduced in accordance with the amount of  
 19 space being used for storage from time to time.
- 20 (d) Instead of a bond or cash deposit, an irrevocable letter of credit  
 21 in the prescribed amount may be provided with the director as the  
 22 beneficiary. The director shall adopt rules under IC 4-22-2 to establish  
 23 acceptable form, substance, terms, and conditions for letters of credit.  
 24 The director may not release a party from the obligations of the letter  
 25 of credit within eighteen (18) months of the termination of the  
 26 licensee's license.
- 27 (e) The director shall adopt rules under IC 4-22-2 to provide for the  
 28 receipt and retention of cash deposits. However, the director shall not  
 29 return a cash deposit to a licensee until the director has taken  
 30 reasonable precautions to assure that the licensee's obligations and  
 31 liabilities have been or will be met.
- 32 (f) If a person is licensed or is applying for licenses to operate two  
 33 (2) or more facilities in Indiana, the person may give a single bond,  
 34 letter of credit, or cash deposit to satisfy the requirements of this  
 35 chapter and the rules adopted under this chapter to cover all the  
 36 person's facilities in Indiana.
- 37 (g) If a licensee has a deficiency in the minimum **positive** net worth  
 38 required under section 16(a)(2)(B), 16(a)(3)(B), 16(a)(4)(A)(ii), ~~or~~  
 39 16(a)(5)(A)(ii), **or 16(a)(6)(B)** of this chapter, the licensee shall add to  
 40 the amount of bond, letter of credit, or cash deposit determined under  
 41 subsection (a) an amount equal to the deficiency.  
 42 (h) Except as provided in subsections (i) and (j), a licensee may not

C  
O  
P  
Y

1 correct a deficiency in the minimum **positive** net worth required by  
 2 section 16(a)(1), 16(a)(2)(A), 16(a)(3)(A), 16(a)(4)(A)(i), or  
 3 16(a)(5)(A)(i), or **16(a)(6)(A)** of this chapter by adding to the amount  
 4 of bond, letter of credit, or cash deposit required by subsection (a).

5 (i) A buyer-warehouse that has a bushel storage capacity of less than  
 6 one million (1,000,000) bushels or purchases less than one million  
 7 (1,000,000) bushels of grain per year may correct a deficiency in  
 8 minimum net worth by adding to the amount of bond, letter of credit,  
 9 or cash deposit determined under subsection (a) if the buyer-warehouse  
 10 has a minimum net worth of at least fifteen thousand dollars (\$15,000),  
 11 not including the amount added to the bond, letter of credit, or cash  
 12 deposit.

13 (j) A buyer-warehouse that has a bushel storage capacity of at least  
 14 one million (1,000,000) bushels, or purchases at least one million  
 15 (1,000,000) bushels of grain per year, may correct a deficiency in  
 16 minimum net worth by adding to the amount of bond, letter of credit,  
 17 or cash deposit determined under subsection (a) if the buyer-warehouse  
 18 has a minimum net worth of at least fifty thousand dollars (\$50,000),  
 19 not including the amount added to the bond, letter of credit, or cash  
 20 deposit.

21 (k) If the director or the director's designated representative finds  
 22 that conditions exist that warrant requiring additional bond or cash  
 23 deposit, there shall be added to the amount of bond or cash deposit as  
 24 determined under the other provisions of this section, a further amount  
 25 to meet the conditions.

26 (l) The director may accept, instead of a single cash deposit, letter  
 27 of credit, or bond, a deposit consisting of any combination of cash  
 28 deposits, letters of credit, or bonds in an amount equal to the licensee's  
 29 obligation under this chapter. The director shall adopt rules under  
 30 IC 4-22-2 to establish standards for determining the order in which the  
 31 forms of security on deposit must be used to pay proven claims if the  
 32 licensee defaults.

33 (m) The director may require additional bonding that the director  
 34 considers necessary.

35 SECTION 5. IC 26-3-7-16, AS AMENDED BY P.L.253-1997(ss),  
 36 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 1998]: Sec. 16. (a) A licensee shall have and maintain a  
 38 current asset to current liability ratio of one to one (1:1) and shall  
 39 maintain, as evidenced by the financial statement required by section  
 40 6 of this chapter, the following minimum **positive** net worth:

41 (1) For a grain bank, minimum net worth is at least ten thousand  
 42 dollars (\$10,000).

C  
O  
P  
Y

- 1 (2) For a warehouse, minimum net worth is at least equal to the
- 2 sum of:
- 3 (A) fifteen thousand dollars (\$15,000); and
- 4 (B) ten cents (\$0.10) multiplied by the bushel storage capacity
- 5 of the warehouse.
- 6 (3) For a grain buyer, minimum net worth is at least **equal to the**
- 7 **sum of:**
- 8 (A) ten thousand dollars (\$10,000); ~~or~~ **and**
- 9 (B) five cents (\$0.05) multiplied by the total number of
- 10 bushels of grain purchased by the grain buyer during the grain
- 11 buyer's fiscal year immediately preceding the date net worth is
- 12 calculated.
- 13 ~~whichever is greater.~~
- 14 (4) For a buyer-warehouse that has a bushel storage capacity of
- 15 less than one million (1,000,000) bushels or purchases less than
- 16 one million (1,000,000) bushels of grain per year, minimum net
- 17 worth is at least equal to:
- 18 (A) the sum of:
- 19 (i) fifteen thousand dollars (\$15,000); and
- 20 (ii) ten cents (\$0.10) multiplied by the bushel storage
- 21 capacity of the buyer-warehouse; or
- 22 (B) five cents (\$0.05) multiplied by the total number of
- 23 bushels of grain purchased by the buyer-warehouse during the
- 24 buyer-warehouse's fiscal year immediately preceding the date
- 25 net worth is calculated;
- 26 whichever is greater.
- 27 (5) For a buyer-warehouse that has a bushel storage capacity of at
- 28 least one million (1,000,000) bushels or purchases at least one
- 29 million (1,000,000) bushels of grain per year, minimum net worth
- 30 is at least equal to:
- 31 (A) the sum of:
- 32 (i) fifty thousand dollars (\$50,000); and
- 33 (ii) ten cents (\$0.10) multiplied by the bushel storage
- 34 capacity of the buyer-warehouse; or
- 35 (B) five cents (\$0.05) multiplied by the number of bushels of
- 36 grain purchased by the buyer-warehouse during the
- 37 buyer-warehouse's fiscal year immediately preceding the date
- 38 net worth is calculated;
- 39 whichever is greater.
- 40 **(6) For a seed buyer, minimum net worth is at least equal to**
- 41 **the sum of:**
- 42 (A) ten thousand dollars; and

COPY



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

**(B) five cents (\$0.05) multiplied by the total number of bushels of seed purchased by the seed buyer during the seed buyer's fiscal year immediately preceding the date net worth is calculated.**

(b) Except as provided in section 10 of this chapter, if a licensee is required to show additional net worth to comply with this section, the licensee may satisfy the requirement by adding to the amount of the bond, letter of credit, or cash deposit required under section 10 of this chapter an amount equal to the additional net worth required.

(c) The director may adopt rules under IC 4-22-2 to provide that a narrative market appraisal that demonstrates assets sufficient to comply with this section may satisfy the minimum net worth requirement.

SECTION 6. IC 26-4-1-13, AS ADDED BY P.L.250-1995, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 13. (a) "Grain" means corn, wheat, oats, rye, soybeans, barley, sorghum, oil seeds, and other agricultural commodities as approved by the agency **and includes grain grown for seed use.**

(b) The term does not include canning crops for processing.

**(c) As used in this section, "corn" includes all corn for all uses, including popcorn, but excluding sweet corn and flint corn.**

C  
O  
P  
Y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1096, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BISCHOFF, Chair

Committee Vote: yeas 11, nays 1.

C  
o  
p  
y

