

# COMMITTEE REPORT

**Mr. President: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedure, to which was referred Engrossed Senate Bill 582 because it conflicts with HEA 1782-1999 without properly recognizing the existence of HEA 1782-1999, has had Engrossed Senate Bill 582 under consideration and begs leave to report back to the Senate with the recommendation that Engrossed Senate Bill 582 be corrected as follows:**

- 1           Page 17, line 31, before "IS" insert ", AS AMENDED BY HEA
- 2           1782-1999,".
- 3           Page 18, line 20, delete "subsection (f)." and insert "subsections (f)
- 4           and (h)."
- 5           Page 19, between lines 14 and 15, begin a new paragraph and insert:
- 6           "(h) If:
- 7           (1) a claimant engaged in farming operations granted to one (1)
- 8           or more secured parties one (1) or more security interests in the
- 9           grain related to the claimant's claim under this section; and
- 10          (2) one (1) or more secured parties described in subdivision (1)
- 11          have given to:
- 12           (A) the licensee prior written notice of the security interest
- 13           under IC 26-1-9-307(1)(a); and
- 14           (B) the director prior written notice of the security interest
- 15           with respect to the grain described in subdivision (1) sufficient
- 16           to give the director a reasonable opportunity to cause the
- 17           issuance of a joint check under this subsection;
- 18          the director shall pay the claimant described in subdivision (1) the
- 19          portion of the proceeds of grain assets under subsection (e) to which
- 20          the claimant is entitled under this section by issuance of a check
- 21          payable jointly to the order of the claimant and any secured party
- 22          described in subdivision (1) who has given the notices described in
- 23          subdivision (2). If only one (1) secured party described in subdivision
- 24          (1) is a payee, the rights of the secured party in the check shall be to the
- 25          extent of the indebtedness of the claimant to the secured party. If two

1 (2) or more secured parties described in subdivision (1) are payees, the  
2 nature, extent, and priority of their respective rights in the check are  
3 determined in the same manner as the nature, extent, and priority of  
4 their respective security interest under IC 26-1-9.".

(Reference is to ESB 582 as printed March 17, 1999.)

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Senator GARTON, Chairperson

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Senator YOUNG, R.M.M.

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Senator WEATHERWAX, Author