

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6856**

**BILL NUMBER:** HB 1219

**NOTE PREPARED:** Mar 17, 2009

**BILL AMENDED:** Mar 17, 2009

**SUBJECT:** Grain Buyers and Warehouse Licensing.

**FIRST AUTHOR:** Rep. Pearson

**FIRST SPONSOR:** Sen. Leising

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill makes various changes regarding the Grain Buyers and Warehouse Licensing Agency. It makes changes to the definition of "warehouse". It provides procedures for an annual renewal of an application. It authorizes the Grain Buyers and Warehouse Licensing Agency to assess penalties for late application renewals. It allows the director of the Grain Buyers and Warehouse Licensing Agency to prorate certain annual licensing fees. It provides that the Grain Buyers and Warehouse Licensing Agency may disclose the names of grain buyers or warehouses and the county where they are located. It allows the Grain Buyers and Warehouse Licensing Agency to accept other forms of surety to show a grain buyer's or warehouse's net worth that are permitted under the rules of the Agency.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *Indiana Grain Buyers and Warehouse Licensing Agency:* This bill provides procedures for annual license renewals for grain banks, warehouses, grain buyers, and buyer-warehouses. The Agency is required to mail the renewal applications by first class to licensees before the end of their fiscal years. First class mail starts at \$0.42 per piece of mail and is based on weight and shape. The Agency currently sends the renewal applications by standard mail, which varies based on weight. There will be 297 renewal applications mailed to grain banks, warehouses, grain buyers, and buyer-warehouses, which would cost at least \$125 if mailed first class.

The bill also allows the Agency to assess penalties for late application renewals, and prorate certain annual licensing fees. The Agency may disclose the names and counties of grain buyers and warehouses, and accept other forms of surety to show net worth as permitted by the Agency. The Agency's current level of resources should be sufficient to implement these provisions.

**Explanation of State Revenues: Summary** - This bill allows the Agency to assess penalties for late application renewals. If penalties had been assessed for FY 2007, the Agency would have received approximately \$19,900. However, the penalty fees may not provide much additional revenue because they probably will discourage late application renewals to some extent. The penalties are provided in the table below.

<b>Number of Days Late</b>	<b>Penalty</b>
1-15	20% of Renewal Fee
16-30	40% of Renewal Fee
31-45	60% of Renewal Fee
46-60	80% of Renewal Fee
61 or more	100% of Renewal Fee

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Grain Buyers and Warehouse Licensing Agency.

**Local Agencies Affected:**

**Information Sources:** U.S. Postal Service, <http://www.usps.com/prices/welcome.htm>; Sarah Simpson, Indiana Grain Buyers and Warehouse Licensing Agency, 317-232-1359.

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.