

IC 26-4-4

Chapter 4. Indiana Grain Indemnity Fund

IC 26-4-4-1

Establishment of fund; fiscal year

Sec. 1. (a) The Indiana grain indemnity fund is established for the purpose of providing money to pay producers for losses incurred due to the failure of a grain buyer or warehouse operator licensed under IC 26-3-7. The fund shall be administered by the board of the corporation.

(b) The fund shall operate on a fiscal year of July 1 to June 30. *As added by P.L.250-1995, SEC.1. Amended by P.L.173-1999, SEC.18; P.L.75-2010, SEC.24.*

IC 26-4-4-2

Contents of fund; fees and expenses

Sec. 2. (a) The fund consists of money paid into the fund from the producers of grain under section 4 of this chapter.

(b) The expenses of administering the fund must be paid from money in the fund. After the fund reaches an amount in excess of ten million dollars (\$10,000,000), the board may annually take not more than two hundred fifty thousand dollars (\$250,000) and allocate it to a separate administrative expenses account to pay administrative expenses. Administrative expenses under this section may include:

- (1) processing refunds;
- (2) enforcement of the fund;
- (3) record keeping in relation to the fund; and
- (4) the ordinary management and investment fees connected with the operation of the fund.

(c) Board approved legal fees and legal expenses in actions brought against the corporation, board, or fund must be paid from money in the fund. These fees and expenses are not administrative costs and may not be paid from the administrative expense account. *As added by P.L.250-1995, SEC.1. Amended by P.L.5-2009, SEC.2.*

IC 26-4-4-3

Premiums held in trust; investment of fund; interest; reversion

Sec. 3. (a) All producer premiums submitted to the board by a grain buyer under section 6(b) of this chapter shall be held by the corporation in trust in the fund for carrying out the purposes of this article. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest earned from these investments shall be credited to the fund.

(b) Money in the fund at the end of a state fiscal year does not revert to the state general fund. *As added by P.L.250-1995, SEC.1.*

IC 26-4-4-4

Producer premiums

Sec. 4. (a) Except as provided in section 8 of this chapter, beginning on July 1, 1996, the producers of grain shall be charged a producer premium equal to two-tenths percent (0.2%) of the price on all marketed grain that is sold in Indiana.

(b) The producer premiums required under this section are in addition to any other fees or assessments required by law.

As added by P.L.250-1995, SEC.1.

IC 26-4-4-5

Notice of producer premium deductions

Sec. 5. The agency shall notify each grain buyer licensed under IC 26-3-7 that producer premiums described in section 4 of this chapter shall be deducted from the purchase price of the grain on and after the date specified in the notice. The notice must be sent by first class mail.

As added by P.L.250-1995, SEC.1. Amended by P.L.75-2010, SEC.25.

IC 26-4-4-6

Submission of producer premiums to finance fund

Sec. 6. (a) When purchasing grain, a grain buyer, a grain buyer's agent, or a grain buyer's representative shall:

(1) deduct the producer premium described in section 4 of this chapter from the producer's payment; and

(2) document the producer premium paid by the producer.

(b) A grain buyer shall submit producer premiums collected under subsection (a) to the board for the purpose of financing or contributing to the financing of the fund by:

(1) October 31 for producer premiums collected during the months of July, August, and September;

(2) January 31 for producer premiums collected during the months of October, November, and December;

(3) April 30 for producer premiums collected during the months of January, February, and March; and

(4) July 31 for producer premiums collected during the months of April, May, and June.

As added by P.L.250-1995, SEC.1.

IC 26-4-4-7

Inspection of books and records; verification; confidentiality

Sec. 7. (a) The:

(1) books and records of each grain buyer must clearly indicate the producer premiums collected by the grain buyer; and

(2) portion of the books and records reflecting the premiums collected must be open for inspection by the corporation, board, board's authorized agents, director, or the director's designee during regular business hours.

(b) The corporation, board, board's authorized agent, director, or the director's designee may take steps reasonably necessary to verify the accuracy of the portion of a grain buyer's books and records that

reflect the premiums collected. The information obtained under this section is confidential for purposes of IC 5-14-3-4(a)(1). Unless otherwise required by judicial order, the information obtained under this section may be disclosed only to parties empowered to see or review the information. The corporation, board, or director may respond to inquiries or disclose information obtained under this section only in accordance with guidelines set forth in IC 26-3-7-6.5.

(c) Notwithstanding subsections (a) and (b), the verification permitted under subsection (b) must be completed by the agency unless two-thirds (2/3) of the board vote to have the verification completed by an independent auditor.

As added by P.L.250-1995, SEC.1.

IC 26-4-4-8

Amount of fund; basis for suspension and reinstatement of producer premium collection

Sec. 8. (a) The producer premiums required under section 4 of this chapter must be collected until the fund contains more than fifteen million dollars (\$15,000,000) as of June 30 of any given year.

(b) Except as provided in subsection (c), after the fund reaches fifteen million dollars (\$15,000,000), the board may not require the collection of additional producer premiums until the amount in the fund drops below ten million dollars (\$10,000,000), as determined under section 9 of this chapter. In a year when the board determines that the fund is at or below ten million dollars (\$10,000,000), the board shall reinstate the collection described in this chapter.

(c) The board shall reinstate the collection described in this chapter if as of May 1:

- (1) the fund contains at least ten million dollars (\$10,000,000);
- (2) the board is aware of a failure of a grain buyer; and
- (3) the amount of compensation from the fund to cover producers' claims, as determined by the board, is equal to or greater than the amount of money in the fund.

As added by P.L.250-1995, SEC.1. Amended by P.L.5-2009, SEC.3.

IC 26-4-4-9

Certification of fund balance; discretion of board to suspend collection

Sec. 9. (a) At the July meeting required under IC 26-4-3-5, the board shall certify the amount of money in the fund on June 30.

(b) Except as provided in section 8(c) of this chapter, the board may not require the collection of a producer premium during a fiscal year when the board certifies under subsection (a) that the fund has money in excess of ten million dollars (\$10,000,000). If the fund is at or below ten million dollars (\$10,000,000), the board shall reinstate the collection.

As added by P.L.250-1995, SEC.1. Amended by P.L.5-2009, SEC.4; P.L.75-2010, SEC.26.

IC 26-4-4-10

Repealed

(Repealed by P.L.268-2001, SEC.2.)