

April 8, 1957.
Sifting Committee.

House File 574
By COMMITTEE ON AGRICULTURE 1.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act to require a bond for sale-barn operators.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. 1. For the purpose of this section a sale-barn
2 operator is a person, firm, partnership or corporation engaged
3 in the business of operating, at a permanent place of business,
4 a sale barn or other periodic auction sales at which livestock
5 is sold.
6 2. Every sale-barn operator, not bonded under the provisions
7 of the Packers and Stockyards Act, 1921, Title seven (7),
8 chapter nine (9), United States Code, shall obtain, maintain
9 at all times, and deposit with the secretary of agriculture
10 a corporate surety bond, acceptable to the secretary, in a penal
11 sum equal to one hundred twenty-five (125) percent of the
12 average total sales price of all livestock sold per sales day
13 during the preceding calendar year. If the operator has not
14 engaged in business as a sales-barn operator for the entire
15 preceding calendar year, the amount of the bond shall be fifty
16 thousand (50,000) dollars except that the secretary may set a
17 higher or lower sum based upon one hundred twenty-five (125)
18 percent of the average sales price of all livestock sold per
19 sales day for any period of six (6) or more consecutive sales
20 days, if the secretary in his discretion finds that the amount
21 of the sales so computed reasonably represents the business

22 presently being done by the operator.

23 3. Every such bond shall be conditioned that the principal
24 will perform all financial obligations incumbent upon him
25 arising out of his business as a sale-barn operator and that
26 the principal shall safely keep and faithfully and promptly
27 account for and pay, to the owners or other duly authorized
28 agents, proceedings of all sales of all livestock received for
29 sale by said principal. Each bond shall contain a provision
30 that any person damaged by failure of the principal to comply
31 with the conditions of the bond may maintain suit to recover
32 on the bond even though the principal is not joined in the suit.

1 Sec. 2. Any sale-barn operator violating this Act
2 shall, upon conviction, be imprisoned in the penitentiary for
3 not more than three (3) years or fined not less than five
4 hundred (500) dollars nor more than one thousand (1000)
5 dollars or both.

EXPLANATION OF HOUSE FILE 574

In view of the fact that many other types of business concerns which deal with other people's money are required to furnish bond, it is the feeling of many that operators of sale barns should likewise be required to furnish bond.