

Senate File 2465

H-8462

1 Amend Senate File 2465, as amended, passed, and reprinted by  
2 the Senate, as follows:

3 1. By striking page 13, line 28, through page 19, line 30,  
4 and inserting:

5 <PART \_\_\_\_

6 GRAIN DEALERS

7 Sec. \_\_\_\_ . Section 203.3, subsection 4, paragraph b, Code  
8 2026, is amended to read as follows:

9 b. (1) The grain dealer shall submit to the department,  
10 as required by the department, a financial statement that is  
11 accompanied by an unqualified opinion based upon an audit  
12 performed by a certified public accountant licensed in this  
13 state.

14 (2) Notwithstanding subparagraph (1), if a grain dealer  
15 does not purchase grain by credit-sale contract, the department  
16 may accept any of the following:

17 (a) A qualification in an opinion based on an audit that  
18 is unavoidable by any audit procedure that is permitted under  
19 generally accepted accounting principles. An opinion that  
20 is qualified because of a limited audit procedure or because  
21 the scope of an audit is limited shall not be accepted by the  
22 department.

23 (b) A financial statement that is accompanied by the  
24 report of a certified public accountant licensed in this  
25 state. The report must be based upon a review performed by the  
26 certified public accountant. The report shall be in lieu of an  
27 unqualified opinion based on an audit. However, at any time,  
28 upon good cause, the department may require the grain dealer to  
29 submit to the department a subsequent financial statement that  
30 is accompanied by the report.

31 (3) The department shall not require ~~that~~ a grain dealer to  
32 submit to the department more than one ~~such~~ unqualified opinion  
33 based on an audit per year.

34 (4) A grain dealer shall submit one or more financial  
35 statements to the department in addition to the financial

1 statement accompanied by an unqualified opinion based on  
2 an audit as required in this paragraph if the department  
3 determines that it is necessary to verify the grain dealer's  
4 financial status or compliance with this section.

5 Sec. \_\_\_\_\_. Section 203.3, subsection 5, paragraph b, Code  
6 2026, is amended to read as follows:

7 b. (1) The grain dealer shall submit to the department,  
8 as required by the department, a financial statement that is  
9 accompanied by an unqualified opinion based upon an audit  
10 performed by a certified public accountant licensed in this  
11 state.

12 (2) Notwithstanding subparagraph (1), the department may  
13 accept any of the following:

14 (a) A qualification in an opinion based on an audit that  
15 is unavoidable by any audit procedure that is permitted under  
16 generally accepted accounting principles. An opinion that  
17 is qualified because of a limited audit procedure or because  
18 the scope of an audit is limited shall not be accepted by the  
19 department.

20 (b) A financial statement that is accompanied by the  
21 report of a certified public accountant licensed in this  
22 state. The report must be based upon a review performed by the  
23 certified public accountant. The report shall be in lieu of an  
24 unqualified opinion based on an audit. However, at any time,  
25 upon good cause, the department may require the grain dealer to  
26 submit to the department a subsequent financial statement that  
27 is accompanied by the report.

28 (3) The department shall not require that a grain dealer to  
29 submit to the department more than one such unqualified opinion  
30 based on an audit per year.

31 (4) A grain dealer shall submit one or more financial  
32 statements to the department in addition to the financial  
33 statement accompanied by an unqualified opinion based on an  
34 audit required in this paragraph if the department determines  
35 that it is necessary to verify the grain dealer's financial

1 status or compliance with this section.

2 Sec. \_\_\_\_\_. Section 203.8, subsection 2, paragraph a, Code  
3 2026, is amended to read as follows:

4 a. (1) ~~“Delivery”~~ Subject to subparagraph (2), “delivery”  
5 means the transfer of title to and possession of grain by a  
6 seller to a grain dealer or to another person in accordance  
7 with the terms of an agreement of by the seller and the grain  
8 dealer.

9 (2) Unless title to grain was previously transferred  
10 pursuant to an ordinary cash-sale contract, title to grain sold  
11 by credit-sale contract is deemed to have transferred to the  
12 grain dealer when all of the following occurs:

13 (a) The credit-sale contract is signed by both the grain  
14 dealer and the seller.

15 (b) The grain dealer has possession of the grain or another  
16 person has possession of the grain in accordance with the terms  
17 of the credit-sale contract.

18 Sec. \_\_\_\_\_. Section 203.12, subsection 1, Code 2026, is  
19 amended to read as follows:

20 1. Upon the cessation of a grain dealer license ~~by~~  
21 ~~revocation, cancellation, or expiration~~ pursuant to section  
22 203.10 or upon the filing of a petition in bankruptcy by a  
23 grain dealer, any claim for the purchase price of grain against  
24 the grain dealer shall be made in writing and filed with the  
25 grain dealer and with the issuer of a deficiency bond or of an  
26 irrevocable letter of credit and with the department within  
27 one hundred twenty days after the date of the cessation or the  
28 filing of a petition in bankruptcy, whichever occurs earlier.

29 A failure to make this timely claim relieves the issuer and the  
30 grain depositors and sellers indemnity fund provided in chapter  
31 203D of all obligations to the claimant.

32 Sec. \_\_\_\_\_. Section 203.12A, subsection 5, Code 2026, is  
33 amended to read as follows:

34 5. The Iowa grain indemnity fund board, upon written demand  
35 of the grain dealer, shall file a termination statement with

1 the secretary of state, if after one hundred eighty days from  
2 the date that the lien is perfected the grain dealer's license  
3 has not ceased ~~by revocation, cancellation, or expiration~~  
4 pursuant to section 203C.10. Upon filing the termination  
5 statement, the lien becomes unperfected. The board shall  
6 also deliver a copy of the termination statement to the grain  
7 dealer.

8 PART \_\_\_\_

9 GRAIN OPERATORS

10 Sec. \_\_\_\_ . Section 203C.6, subsection 4, paragraph b, Code  
11 2026, is amended to read as follows:

12 b. (1) The warehouse operator shall submit to the  
13 department, as required by the department, a financial  
14 statement that is accompanied by an unqualified opinion based  
15 upon an audit performed by a certified public accountant  
16 licensed in this state.

17 (2) Notwithstanding subparagraph (1), the department may  
18 accept any of the following:

19 (a) A qualification in an opinion based on an audit that  
20 is unavoidable by any audit procedure that is permitted under  
21 generally accepted accounting principles. An opinion that  
22 is qualified because of a limited audit procedure or because  
23 the scope of an audit is limited shall not be accepted by the  
24 department.

25 (b) A financial statement that is accompanied by the  
26 report of a certified public accountant licensed in this  
27 state. The report must be based upon a review performed by  
28 the certified public accountant. The report shall be in lieu  
29 of an unqualified opinion based on an audit. However, at any  
30 time, upon good cause, the department may require the warehouse  
31 operator to submit to the department a subsequent financial  
32 statement that is accompanied by the report.

33 (3) The department shall not require ~~that~~ a warehouse  
34 operator to submit to the department more than one ~~such~~  
35 unqualified opinion based on an audit per year.

1     (4) A warehouse operator shall submit one or more financial  
2 statements to the department in addition to the financial  
3 statement accompanied by an unqualified opinion based on  
4 an audit as required in this paragraph if the department  
5 determines that it is necessary to verify the warehouse  
6 operator's financial status or compliance with this section.

7     Sec. \_\_\_\_\_. Section 203C.6, subsection 5, paragraph b, Code  
8 2026, is amended to read as follows:

9     b. (1) The warehouse operator shall submit to the  
10 department, as required by the department, a financial  
11 statement that is accompanied by an unqualified opinion based  
12 upon an audit performed by a certified public accountant  
13 licensed in this state.

14     (2) Notwithstanding subparagraph (1), the department may  
15 accept any of the following:

16     (a) A qualification in an opinion based on an audit that  
17 is unavoidable by any audit procedure that is permitted under  
18 generally accepted accounting principles. An opinion that  
19 is qualified because of a limited audit procedure or because  
20 the scope of an audit is limited shall not be accepted by the  
21 department.

22     (b) A financial statement that is accompanied by the  
23 report of a certified public accountant licensed in this  
24 state. The report must be based upon a review performed by  
25 the certified public accountant. The report shall be in lieu  
26 of an unqualified opinion based on an audit. However, at any  
27 time, upon good cause, the department may require the warehouse  
28 operator to submit to the department a subsequent financial  
29 statement that is accompanied by the report.

30     (3) The department shall not require ~~that~~ a warehouse  
31 operator to submit more than one ~~such~~ unqualified opinion based  
32 on an audit per year.

33     (4) A warehouse operator shall submit one or more financial  
34 statements to the department in addition to the financial  
35 statement accompanied by an unqualified opinion based on

1 an audit as required in this paragraph if the department  
2 determines that it is necessary to verify the warehouse  
3 operator's financial status or compliance with this section.

4 Sec. \_\_\_\_\_. Section 203C.12A, subsection 5, Code 2026, is  
5 amended to read as follows:

6 5. The Iowa grain indemnity fund board shall upon written  
7 demand of the warehouse operator file a termination statement  
8 with the secretary of state, if after one hundred eighty  
9 days from the date that the lien is perfected the warehouse  
10 operator's license has not ceased ~~by revocation, cancellation,~~  
11 ~~or expiration~~ pursuant to section 203C.10. Upon filing the  
12 termination statement, the lien becomes unperfected. The board  
13 shall also deliver a copy of the termination statement to the  
14 warehouse operator.

15 Sec. \_\_\_\_\_. Section 203C.14, subsection 2, paragraphs a and c,  
16 Code 2026, are amended to read as follows:

17 a. Upon the cessation of a warehouse operator's license ~~due~~  
18 ~~to revocation, cancellation, or expiration~~ pursuant to section  
19 203C.10 or upon the filing of a petition in bankruptcy by a  
20 warehouse operator, a claim against the warehouse operator  
21 arising under this chapter shall be made in writing with the  
22 warehouse operator, with the issuer of a bond on agricultural  
23 products other than bulk grain, a deficiency bond, or an  
24 irrevocable letter of credit, and, if the claim relates to bulk  
25 grain, with the department. The claim must be made within one  
26 hundred twenty days after the cessation of the license or the  
27 filing of a petition in bankruptcy, whichever occurs earlier.  
28 The failure to make a timely claim relieves the issuer and,  
29 if the claim relates to bulk grain, the grain depositors  
30 and sellers indemnity fund provided in chapter 203D of all  
31 obligations to the claimant.

32 c. This subsection does not apply if a receiver is appointed  
33 as provided in this chapter pursuant to a petition ~~which~~ that  
34 is filed by the department prior to the expiration of one  
35 hundred twenty days after cessation of a warehouse operator's

1 license pursuant to section 203C.10.

2 Sec. \_\_\_\_\_. Section 203C.18, subsection 3, Code 2026, is  
3 amended to read as follows:

4 3. A form for a warehouse receipt shall only be printed by  
5 a person approved by the department. A form for a warehouse  
6 receipt shall be printed in accordance with specifications set  
7 forth by the department. A warehouse operator shall surrender  
8 to the department all forms for warehouse receipts that are  
9 unused at the time that the warehouse operator's license  
10 is suspended or ceases ~~due to revocation, cancellation, or~~  
11 ~~expiration~~ pursuant to section 203C.10. The warehouse operator  
12 shall surrender the warehouse receipts in a manner required by  
13 the department.>

14 2. By renumbering as necessary.

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COMMITTEE ON WAYS AND MEANS  
NORDMAN of Dallas, Chairperson