

House File 2596

S-5159

1 Amend House File 2596, as amended, passed, and reprinted by
2 the House, as follows:

3 1. By striking page 1, line 3, through page 2, line 32, and
4 inserting:

5 <Section 1. Section 203.3, subsection 4, paragraph b, Code
6 2026, is amended by striking the paragraph and inserting in
7 lieu thereof the following:

8 b. The grain dealer shall submit, as required by the
9 department, a financial statement that is accompanied by
10 an unqualified opinion based upon an audit performed by a
11 certified public accountant licensed in this state. However,
12 the department may accept a qualification in an opinion that
13 is unavoidable by any audit procedure that is permitted under
14 generally accepted accounting principles. An opinion that
15 is qualified because of a limited audit procedure or because
16 the scope of an audit is limited shall not be accepted by
17 the department. The department shall not require that a
18 grain dealer submit more than one such unqualified opinion
19 per year. The grain dealer, except as provided in section
20 203.15, may elect to submit a financial statement that is
21 accompanied by the report of a certified public accountant
22 licensed in this state that is based upon a review performed
23 by the certified public accountant in lieu of the audited
24 financial statement specified in this paragraph. However, at
25 any time the department may require a financial statement that
26 is accompanied by the report of a certified public accountant
27 licensed in this state that is based upon a review performed
28 by a certified public accountant if the department has good
29 cause. A grain dealer shall submit financial statements to
30 the department in addition to those required in this paragraph
31 if the department determines that it is necessary to verify
32 the grain dealer's financial status or compliance with this
33 subsection.

34 Sec. _____. Section 203.3, subsection 5, paragraph b, Code
35 2026, is amended by striking the paragraph and inserting in

1 lieu thereof the following:

2 *b.* The grain dealer shall submit, as required by the
3 department, a financial statement that is accompanied by
4 an unqualified opinion based upon an audit performed by a
5 certified public accountant licensed in this state. However,
6 the department may accept a qualification in an opinion that
7 is unavoidable by any audit procedure that is permitted under
8 generally accepted accounting principles. An opinion that
9 is qualified because of a limited audit procedure or because
10 the scope of an audit is limited shall not be accepted by the
11 department. The department shall not require that a grain
12 dealer submit more than one such unqualified opinion per year.
13 The grain dealer may elect, however, to submit a financial
14 statement that is accompanied by the report of a certified
15 public accountant licensed in this state that is based upon
16 a review performed by the certified public accountant in
17 lieu of the audited financial statement specified in this
18 paragraph. However, at any time the department may require
19 a financial statement that is accompanied by the report of a
20 certified public accountant licensed in this state that is
21 based upon a review performed by a certified public accountant
22 if the department has good cause. A grain dealer shall submit
23 financial statements to the department in addition to those
24 required in this paragraph if the department determines that it
25 is necessary to verify the grain dealer's financial status or
26 compliance with [this section](#).>

27 2. Page 4, after line 3 by inserting:

28 <Sec. _____. Section 203.15, subsection 4, Code 2026, is
29 amended by striking the subsection and inserting in lieu
30 thereof the following:

31 4. *a.* A grain dealer shall not purchase grain on
32 credit-sale contract during any time period in which the grain
33 dealer fails to maintain fifty cents of net worth for each
34 outstanding bushel of grain purchased under credit. The grain
35 dealer may maintain a deficiency bond or an irrevocable letter

1 of credit in the amount of two thousand dollars for each one
2 thousand dollars or fraction thereof of deficiency in net
3 worth.

4 *b.* A grain dealer who is also a warehouse operator licensed
5 by the department under [chapter 203C](#) or the United States
6 department of agriculture under the United States Warehouse
7 Act, and who does not have a sufficient quantity or quality
8 of grain to satisfy the warehouse operator's obligations
9 based on an examination by the department or the United
10 States department of agriculture shall not purchase grain on
11 credit-sale contract to correct the shortage of grain.

12 *c.* (1) A grain dealer must meet at least either of the
13 following conditions:

14 (i) The grain dealer's last financial statement required
15 to be submitted to the department pursuant to [section 203.3](#)
16 is accompanied by an unqualified opinion based upon an audit
17 performed by a certified public accountant licensed in this
18 state.

19 (ii) The grain dealer files a bond with the department in
20 the amount of one hundred thousand dollars payable to the
21 department.

22 (2) (a) The bond filed with the department under this
23 paragraph shall be used to indemnify sellers for losses
24 resulting from a breach of a credit-sale contract as provided
25 by rules adopted by the department. The rules shall include
26 but are not limited to procedures and criteria for providing
27 notice, filing claims, valuing losses, and paying claims. The
28 bond provided in this paragraph shall be in addition to any
29 other bond required in [this chapter](#).

30 (b) The bond shall not be canceled by the issuer on less
31 than ninety days' notice by certified mail to the department
32 and the principal. However, if an adequate replacement bond
33 is filed with the department, the department may authorize
34 the cancellation of the original bond before the end of the
35 ninety-day period.

1 (c) If an adequate replacement bond is not received by the
2 department within sixty days of the issuance of the notice of
3 cancellation, the department shall suspend the grain dealer's
4 license. The department shall cause an inspection of the
5 licensed grain dealer immediately at the end of the sixty-day
6 period. If a replacement bond is not filed within another
7 thirty days following the suspension, the department shall
8 revoke the grain dealer's license.

9 (3) When a license is revoked, the department shall provide
10 notice of the revocation by ordinary mail to the last known
11 address of each holder of an outstanding credit-sale contract
12 and all known sellers.>

13 3. By striking page 4, line 6, through page 5, line 34, and
14 inserting:

15 <Sec. _____. Section 203C.6, subsection 4, paragraph b, Code
16 2026, is amended by striking the paragraph and inserting in
17 lieu thereof the following:

18 b. The warehouse operator shall submit, as required by
19 the department, a financial statement that is accompanied by
20 an unqualified opinion based upon an audit performed by a
21 certified public accountant licensed in this state. However,
22 the department may accept a qualification in an opinion that
23 is unavoidable by any audit procedure that is permitted under
24 generally accepted accounting principles. An opinion that
25 is qualified because of a limited audit procedure or because
26 the scope of an audit is limited shall not be accepted by the
27 department. The department shall not require that a warehouse
28 operator submit more than one such unqualified opinion per
29 year. The warehouse operator may elect, however, to submit
30 a financial statement that is accompanied by the report of
31 a certified public accountant licensed in this state that
32 is based upon a review performed by the certified public
33 accountant in lieu of the audited financial statement specified
34 in this paragraph. However, at any time the department may
35 require a financial statement that is accompanied by the report

1 of a certified public accountant licensed in this state that is
2 based upon a review performed by a certified public accountant
3 if the department has good cause. A warehouse operator shall
4 submit financial statements to the department in addition to
5 those required in this paragraph if the department determines
6 that it is necessary to verify the warehouse operator's
7 financial status or compliance with [this subsection](#).

8 Sec. _____. Section 203C.6, subsection 5, paragraph b, Code
9 2026, is amended by striking the paragraph and inserting in
10 lieu thereof the following:

11 *b.* The warehouse operator shall submit, as required by
12 the department, a financial statement that is accompanied by
13 an unqualified opinion based upon an audit performed by a
14 certified public accountant licensed in this state. However,
15 the department may accept a qualification in an opinion that
16 is unavoidable by any audit procedure that is permitted under
17 generally accepted accounting principles. An opinion that
18 is qualified because of a limited audit procedure or because
19 the scope of an audit is limited shall not be accepted by the
20 department. The department shall not require that a warehouse
21 operator submit more than one such unqualified opinion per
22 year. The warehouse operator may elect, however, to submit
23 a financial statement that is accompanied by the report of
24 a certified public accountant licensed in this state that
25 is based upon a review performed by the certified public
26 accountant in lieu of the audited financial statement specified
27 in this paragraph. However, at any time the department may
28 require a financial statement that is accompanied by the report
29 of a certified public accountant licensed in this state that is
30 based upon a review performed by a certified public accountant
31 if the department has good cause. A warehouse operator shall
32 submit financial statements to the department in addition to
33 those required in this paragraph if the department determines
34 that it is necessary to verify the warehouse operator's
35 financial status or compliance with [this subsection](#).

1 4. By renumbering as necessary.

KERRY GRUENHAGEN