

February 17, 1967
Commerce, *Pass as amended 4-20*
" 5-11-67

House File 201
By HARBOR and CLARK

Passed House, Date 5-8-67 Passed Senate, Date 6-26-67
Vote: Ayes 98 Nays 0 Vote: Ayes 48 Nays 0

Approved _____

*Passed as amended
by Senate 6-28
109-0.*

A BILL FOR

An Act relating to bonded warehouses for agricultural products.

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

1 Section 1. Section five hundred forty-three point two
2 (543.2), Code 1966, is amended by striking from line eleven
3 (11) the word "three" and inserting in lieu thereof the
4 word "six".

1 Sec. 2. Section five hundred forty-three point eleven
2 (543.11), Code 1966, is amended by striking all of said sec-
3 tion after the word "unless" in line fifteen (15) and insert-
4 ing in lieu thereof the following:

5 "such additional insurance is provided within five days
6 after notice by certified mail the license of the warehouse-
7 man concerned shall be automatically suspended. If addi-
8 tional bond is not provided within thirty days after receiving
9 notice by certified mail the warehouse license shall be sus-
10 pended. If such additional bond is not filed within another
11 sixty days the warehouse license shall be automatically re-
12 voked."

1 Sec. 3. Section five hundred forty-three point seventeen
2 (543.17), Code 1966, is amended by adding at the end thereof
3 the following:

4 "Notwithstanding any of the above provisions of this sec-
5 tion, an agreement may be made at the time of delivery of the
6 grain to the elevator that payment will be deferred to a
7 future date."

1 Sec. 4. Section five hundred forty-three point thirty-
2 one (543.31), Code 1966, is amended by inserting in line one
3 (1) after the word "upon" the words "application accompanied
4 by a fee of five dollars and".

1 Sec. 5. Section five hundred forty-three point thirty-
2 five (543.35), Code 1966, is amended by striking from line
3 nine (9) the word "always" and inserting in lieu thereof
4 the words "for the ten previous years".

EXPLANATION

This bill makes some needed revisions in the bonded warehouse law. It upgrades inspections so that they will be needed only once in six months instead of three months. It provides automatic suspension of license in case of insufficient bond or insurance. It provides a 90-day notice and a 30-day period after notice in which a depositor can remove his products. It provides for a deferred payment contract. It provides a fee for issuance of a weigher's and grader's license and provides a time limit of ten years for keeping records.

1 Amend House File 201 as follows:

2 1. By striking all after the enacting clause and by in-
3 serting in lieu thereof the following:

4 Section 1. Section five hundred forty-three point two
5 (543.2), Code 1966, is hereby amended as follows:

6 1. By inserting in line eight (8) following the word
7 "thereof." the following: "If upon any such inspection a
8 deficiency is found to exist as to the quantity or quality
9 of agricultural products stored, the commission shall have
10 the authority to, and may require an inspector to remain at
11 the licensed warehouse and supervise all operations conducted
12 thereat involving agricultural products stored under the
13 provisions of this chapter until such deficiency is corrected."

14 2. By striking from line eleven (11) the word "three" and
15 by inserting in lieu thereof the word "six".

16 Sec. 2. Section five hundred forty-three point eleven
17 (543.11), Code 1966, is hereby amended by striking all of
18 said section after the figures "543.15" in line fifteen (15)
19 and by inserting in lieu thereof the following:

20 ". If such additional insurance is not provided within
21 five days after notice by certified mail the license of the
22 warehouseman concerned shall be automatically suspended. If
23 such additional insurance is not filed within another twenty-
24 five days, the warehouse license shall be automatically revok-
25 ed. If additional bond is not provided within thirty days
26 after receiving notice by certified mail the warehouse license
27 shall be suspended. If such additional bond is not filed
28 within sixty days the warehouse license shall be automatic-
29 ally revoked. When a license is so revoked, the commission
30 shall notify each holder of an outstanding warehouse receipt
31 of such revocation. The commission shall further notify each
32 receipt holder that his grain must be removed from the ware-
33 house not later than the thirtieth day following the initial
34 revocation as herein set forth. Such notice shall be by
35 ordinary mail sent to the last known address of each receipt
36 holder.

37 "Whenever the commission shall receive notice from a
38 surety that it has cancelled the bond of a warehouseman, the

39 commission shall automatically suspend the warehouse license
40 if a new bond is not received by the commission within thirty
41 days of receipt of the notice of cancellation. The commission
42 shall cause an inspection of the licensed warehouse immediat-
43 ely at the end of such thirty-day period. If a new bond is not
44 received within sixty days of receipt of the notice of cancel-
45 lation the commission shall revoke the warehouse license. The
46 commission shall cause a further inspection of the licensed
47 warehouse at the end of such sixty-day period. When a license
48 is so revoked the commission shall give notice of such revoca-
49 tion to each holder of an outstanding warehouse receipt. The
50 commission shall further notify each receipt holder that his
51 grain must be removed from the warehouse not later than the
52 ninetieth day following receipt of notice of cancellation, by
53 the commission. Such notice to each receipt holder shall be
54 sent by ordinary mail to the last known address of each receipt
55 holder. The commission shall cause a final inspection of the
56 licensed warehouse immediately after the end of such ninety-
57 day period."

58 Sec. 3. "Section five hundred forty-three point thirteen
59 (543.13), Code 1966, is hereby amended as follows:

60 1. By inserting in line seven (7) following the word

62 'No bond shall be cancelled by the surety on less than
63 ninety (90) days notice by certified mail to the commission
64 and the principal.'

65 2. By adding at the end thereof the following:

66 'Notwithstanding any other provisions of this chapter, the
67 bond provided in this section shall cover all bulk grain
68 deposited with a licensed warehouseman.'

69 Sec. 4. Section five hundred forty-three point seventeen
70 (543.17), Code 1966, is hereby amended as follows:

71 1. By adding at the end thereof the following:

72 "Notwithstanding any of the above provisions of this sec-
73 tion, a written agreement may be made at the time of the
74 delivery of any bulk grain to the warehouseman that payment
75 will be deferred to a future date. Such agreement shall con-
76 tain a statement therein informing the seller that the ware-
77 houseman is not required to carry insurance or bond on such
78 grain for the benefit of the seller and that the payment for
79 such grain becomes a common claim against the warehouseman.

80 "The agreement in addition to such other information as
81 may be required shall contain the following:

82 "1. The seller's, or depositor's, name and address.

83 "2. The conditions of delivery.

84 "3. The amount and kind of grain delivered.

85 "4. The price per bushel or basis of value.

86 "5. The date payment is to be made."

87 "Such agreement must be signed by both parties and executed
88 in triplicate. One copy shall be retained by the warehouseman,
89 one copy shall be delivered to the seller and one copy shall
90 be forwarded to the commission within five days from execu-
91 tion of such agreement."

92 2. By striking from line fourteen (14) the word "ten" and
93 by inserting in lieu thereof the word "thirty".

94 3. By striking from line sixteen (16) the word "nine" and
95 by inserting in lieu thereof the word "twenty-nine".

96 4. By striking from line seventeen (17) the word "tenth"
97 and by inserting in lieu thereof the word "thirtieth".

98 5. By striking from line twenty-six (26) the word "ten"
99 and by inserting in lieu thereof the word "thirty".

100 6. By striking all after the period in line sixty-five
101 (65) through the period in line seventy-two (72).

102 Sec. 5. Section five hundred forty-three point fifteen
103 (543.15), Code 1966, is hereby amended as follows:

104 1. By inserting in line sixteen (16) following the word
105 "commission." the following:

106 "No insurance policy shall be cancelled by the insurance
107 company on less than fifteen days notice by certified mail to
108 the commission and the principal unless such policy is being
109 replaced with another policy and evidence of the new policy
110 is filed with the commission at the time of cancellation of
111 the policy on file."

112 2. By striking the last sentence and by inserting in lieu
113 thereof the following:

114 "Claimants against such insurance shall have precedence
115 in the following order:

116 "1. Holders of warehouse receipts other than the warehouseman
117 and owners of bulk grain other than the warehouseman.

118 "2. Owners of all other agricultural products as their
119 interests appear.

120 "3. Warehousemen who have warehouse receipts.

121 "4. Warehousemen owners of bulk grain."

122 Sec. 6. Section five hundred forty-three point seven
123 (543.7), Code 1966, is hereby repealed.

124 Sec. 7. Section five hundred forty-three point thirty-
125 three (543.33), Code 1966, is hereby amended by adding a new
126 subsection as follows:

127 "For the cost of maintaining an inspector at a licensed
128 warehouse to supervise the correction of a deficiency, thirty
129 dollars per day."

130 Sec. 8. Section five hundred forty-three point thirty-
131 five (543.35), Code 1966, line nine (9), is hereby amended by
132 striking the word "always" and by inserting after the word
133 "available" the words "for the six previous years".

134 Sec. 9. Chapter five hundred forty-three (543), Code
135 1966, is hereby amended by adding the following new sections
136 thereto:

137 "Failure to pay the annual fee provided for in section
138 five hundred forty-three point thirty-three (543.33) of the
139 Code on or before the date the same shall become due shall
140 cause a license to terminate. The annual fee shall become
141 due on June 30 each year.

142 "Nothing in this chapter shall be construed to imply any
143 guarantee or obligation on the part of the state of Iowa, or

144 any of its agencies, employees or officials, either elective
145 or appointive, in respect of any agreement or undertaking to
146 which the provisions of this chapter relate."

147 Sec. 10. Section five hundred forty-three point twenty-
148 eight (543.28), Code 1966, is hereby amended by striking from
149 lines twenty-six (26) and twenty-seven (27) the words "issuance
150 of the warehouse receipt" and by inserting in lieu thereof the
151 words "delivery to the warehouse".

152 Sec. 11. Section five hundred forty-three point thirteen
153 (543.13), subsection one (1), Code 1966, is hereby amended by
154 striking all of such subsection after the word "follows:" in
155 line five (5) and inserting in lieu thereof the following:

156 "a. For intended storage of bulk grain in any quantity
157 less than twenty thousand (20,000) bushels, the minimum amount
158 of the bond shall be six thousand (6,000) dollars plus one
159 thousand (1,000) dollars for each two thousand (2,000)
160 bushels or fraction thereof in excess of twelve thousand
161 (12,000) bushels up to a total of twenty thousand (20,000)
162 bushels.

163 "b. For intended storage of bulk grain in any quantity
164 not less than twenty thousand (20,000) bushels and not more
165 than fifty thousand (50,000) bushels, the minimum amount of
166 the bond shall be ten thousand (10,000) dollars plus one
167 thousand (1,000) dollars for each three thousand (3,000)
168 bushels or fraction thereof in excess of twenty thousand
169 (20,000) bushels up to a total of fifty thousand (50,000)
170 bushels.

171 "c. For intended storage of bulk grain in any quantity
172 not less than fifty thousand (50,000) bushels and not more
173 than seventy thousand (70,000) bushels, the minimum amount
174 of the bond shall be twenty thousand (20,000) dollars plus
175 one thousand (1,000) dollars for each four thousand (4,000)
176 bushels or fraction thereof in excess of fifty thousand
177 (50,000) bushels up to a total of seventy thousand (70,000)
178 bushels.

179 "d. For intended storage of bulk grain in any quantity
180 not less than seventy thousand (70,000) bushels, the mini-
181 mum amount of the bond shall be twenty-five thousand (25,000)
182 dollars plus one thousand (1,000) dollars for each five
183 thousand (5,000) bushels or fraction thereof in excess of
184 seventy thousand (70,000) bushels."

185 Sec. 12. Chapter five hundred forty-three (543), Code
186 1966, is hereby amended by adding thereto the following:
187 "A licensed warehouseman may store grain in any other
188 licensed warehouse in addition to his own facilities, subject
189 to the following conditions:

190 1. He must obtain from such warehouseman a non-negotiable
191 warehouse receipt and such receipt must show clearly the
192 following notation: 'held in trust for' (customer's name and
193 address).

194 2. Any grain stored by a licensed warehouseman in facilities
195 licensed by another warehouseman shall be stored within a

196 radius of twenty-five (25) statute miles from the central
197 facility of the warehouseman where it was originally received
198 for storage.

199 3. At such time as the warehouseman may begin to use the
200 additional facilities described in this section, he must
201 furnish additional bond acceptable to the commission to cover
202 the increase in his gross capacity.

203 4. A licensed warehouseman shall not accept grain for
204 storage from another licensed warehouseman while he has grain
205 stored under the provisions of this section."

As Adopted by the Senate

House concurred 6-28

1 Amend House File 201 as follows:
2 1. By striking all after the enacting clause and by in-
3 serting in lieu thereof the following:
4 Section 1. Section five hundred forty-three point two
5 (543.2), Code 1966, is hereby amended as follows:
6 1. By inserting in line eight (8) following the word
7 "thereof." the following: "If upon any such inspection a
8 deficiency is found to exist as to the quantity or quality
9 of agricultural products stored, the commission shall have
10 the authority to, and may require an inspector to remain at
11 the licensed warehouse and supervise all operations conducted
12 thereat involving agricultural products stored under the
13 provisions of this chapter until such deficiency is
14 corrected."
15 2. By striking from line eleven (11) the word "three".
16 and by inserting in lieu thereof the word "six".
17 Sec. 2. Section five hundred forty-three point eleven
18 (543.11), Code 1966, is hereby amended by striking all of
19 said section after the figures "543.15" in line fifteen (15)
20 and by inserting in lieu thereof the following:
21 ". If such additional insurance is not provided within
22 five days after notice by certified mail the license of the
23 warehouseman concerned shall be automatically suspended. If
24 such additional insurance is not filed within another twenty-
25 five days, the warehouse license shall be automatically revok-
26 ed. If additional bond is not provided within thirty days
27 after receiving notice by certified mail the warehouse license
28 shall be suspended. If such additional bond is not filed
29 within sixty days the warehouse license shall be automatic-
30 ally revoked. When a license is so revoked, the commission
31 shall notify each holder of an outstanding warehouse receipt
32 of such revocation. The commission shall further notify each
33 receipt holder that his grain must be removed from the ware-
34 house not later than the thirtieth day following the initial
35 revocation as herein set forth. Such notice shall be by
36 ordinary mail sent to the last known address of each receipt
37 holder.
38 "Whenever the commission shall receive notice from a
39 surety that it has cancelled the bond of a warehouseman, the
40 commission shall automatically suspend the warehouse license
41 if a new bond is not received by the commission within thirty
42 days of receipt of the notice of cancellation. The commission
43 shall cause an inspection of the licensed warehouse immediat-
44 ily at the end of such thirty-day period. If a new bond is not
45 received within sixty days of receipt of the notice of cancel-
46 lation the commission shall revoke the warehouse license. The
47 commission shall cause a further inspection of the licensed
48 warehouse at the end of such sixty-day period. When a license
49 is so revoked the commission shall give notice of such revoca-
50 tion to each holder of an outstanding warehouse receipt. The
51 commission shall further notify each receipt holder that his
52 grain must be removed from the warehouse not later than the
53 ninetieth day following receipt of notice of cancellation, by
54 the commission. Such notice to each receipt holder shall be
55 sent by ordinary mail to the last known address of each receipt
56 holder. The commission shall cause a final inspection of the
57 licensed warehouse immediately after the end of such ninety-
58 day period."

59 Sec. 3. "Section five hundred forty-three point thirteen
60 (543.13), Code 1966, is hereby amended as follows:

61 1. By inserting in lieu seven (7) following the word
62 "state" the following:

63 'No bond shall be cancelled by the surety on less than
64 ninety (90) days notice by certified mail to the commission
65 and the principal.'

66 2. By adding at the end thereof the following:

67 'Notwithstanding any other provisions of this chapter, the
68 bond provided in this section shall cover all bulk grain
69 deposited with a licensed warehouseman.'

70 Sec. 4. Section five hundred forty-three point seventeen
71 (543.17), Code 1966, is hereby amended as follows:

72 1. By adding at the end thereof the following:

73 "Notwithstanding any of the above provisions of this sec-
74 tion, a written agreement may be made at the time of the

75 delivery of any bulk grain to the warehouseman that payment
76 will be deferred to a future date. Such agreement shall con-
77 tain a statement therein informing the seller that the ware-
78 houseman is not required to carry insurance or bond on such
79 grain for the benefit of the seller and that the payment for
80 such grain becomes a common claim against the warehouseman.

81 "The agreement in addition to such other information as
82 may be required shall contain the following:

83 "1. The seller's, or depositor's name and address.

84 "2. The conditions of delivery.

85 "3. The amount and kind of grain delivered.

86 "4. The price per bushel or basis of value.

87 "5. The date payment is to be made."

88 "Such agreement must be signed by both parties and executed
89 in triplicate. One copy shall be retained by the warehouseman,
90 one copy shall be delivered to the seller and one copy shall
91 be forwarded to the commission within five days from execu-
92 tion of such agreement."

93 2. By striking from line fourteen (14) the word "ten" and
94 by inserting in lieu thereof the word "thirty".

95 3. By striking from line sixteen (16) the word "nine" and
96 by inserting in lieu thereof the word "twenty-nine".

97 4. By striking from line seventeen (17) the word "tenth"
98 and by inserting in lieu thereof the word "thirtieth".

99 5. By striking from line twenty-six (26) the word "ten"
100 and by inserting in lieu thereof the word "thirty".

101 6. By striking all after the period in line sixty-five
102 (65) through the period in line seventy-two (72).

103 Sec. 5. Section five hundred forty-three point fifteen
104 (543.15), Code 1966, is hereby amended as follows:

105 1. By inserting in line sixteen (16) following the word
106 "commission." the following:

107 "No insurance policy shall be cancelled by the insurance
108 company on less than fifteen days notice by certified mail to
109 the commission and the principal unless such policy is being
110 replaced with another policy and evidence of the new policy
111 is filed with the commission at the time of cancellation of
112 the policy on file."

113 2. By striking the last sentence and by inserting in lieu
114 thereof the following:

115 "Claimants against such insurance shall have precedence
116 in the following order:

117 "1. Holders of warehouse receipts other than the warehouseman
118 and owners of bulk grain other than the warehouseman.

119 "2. Owners of bulk grain other than the warehouseman.

120 interests appear.

121 "3. Warehousemen who have warehouse receipts.

122 "4. Warehousemen owners of bulk grain."

123 Sec. 6. Section five hundred forty-three point seven
124 (543.7), Code 1966, is hereby repealed.

125 Sec. 7. Section five hundred forty-three point thirty-
126 three (543.33), Code 1966, is hereby amended by adding a new
127 subsection as follows:

128 "For the cost of maintaining an inspector at a licensed
129 warehouse to supervise the correction of a deficiency, thirty
130 dollars per day."

131 Sec. 8. Section five hundred forty-three point thirty-
132 five (543.35), Code 1966, line nine (9), is hereby amended by
133 striking the word "always" and by inserting after the word
134 "available" the words "for the six previous years".

135 Sec. 9. Chapter five hundred forty-three (543), Code 1966,
136 is hereby amended by adding the following new sections there-
137 to:

138 "Failure to pay the annual fee provided for in section five
139 hundred forty-three point thirty-three (543.33) of the Code on
140 or before the date the same shall become due shall cause a
141 license to terminate. The annual fee shall become due on June 3
142 each year."

143 "Nothing in this chapter shall be construed to imply any
144 guarantee or obligation on the part of the state of Iowa, or
145 any of its agencies, employees or officials, either elective
146 or appointive, in respect of any agreement or undertaking to
147 which the provisions of this chapter relate."

148 Sec. 10. Section five hundred forty-three point twenty-
149 eight (543.28), Code 1966, is hereby amended by striking from
150 lines twenty-six (26) and twenty-seven (27) the words "issuance
151 of the warehouse receipt" and by inserting in lieu thereof the
152 words "delivery to the warehouse".

153 Sec. 11. By adding the following new section:

154 "Section five hundred forty-three point thirteen (543.13),
155 subsection one (1), Code 1966, is hereby amended by striking
156 all of such subsection after the word "follows:" in line
157 five (5) and inserting in lieu thereof the following:

158 "a. For intended storage of bulk grain in any quantity
159 less than twenty thousand (20,000) bushels, the minimum amount
160 of the bond shall be six thousand (6,000) dollars plus one
161 thousand (1,000) dollars for each two thousand (2,000)
162 bushels or fraction thereof in excess of twelve thousand
163 (12,000) bushels up to a total of twenty thousand (20,000)
164 bushels.

165 "b. For intended storage of bulk grain in any quantity
166 not less than twenty thousand (20,000) bushels and not more
167 than fifty thousand (50,000) bushels, the minimum amount of
168 the bond shall be ten thousand (10,000) dollars plus one
169 thousand (1,000) dollars for each three thousand (3,000)
170 bushels or fraction thereof in excess of twenty thousand
171 (20,000) bushels up to a total of fifty thousand (50,000)
172 bushels.

173 "c. For intended storage of bulk grain in any quantity
174 not less than fifty thousand (50,000) bushels and not more
175 than seventy thousand (70,000) bushels, the minimum amount of
176 the bond shall be twenty thousand (20,000) dollars plus one
177 thousand (1,000) dollars for each four thousand (4,000)
178 bushels or fraction thereof in excess of fifty thousand
179 (50,000) bushels up to a total of seventy thousand (70,000)
180 bushels.

181 "d. For intended storage of bulk grain in any quantity
182 not less than seventy thousand (70,000) bushels, the minimum
183 amount of the bond shall be twenty-five thousand (25,000)
184 dollars plus one thousand (1,000) dollars for each five
185 thousand (5,000) bushels or fraction thereof in excess of
186 seventy thousand (70,000) bushels."

Filed - *adopted as amended 6-24*
June 23, 1967

By POTGETER, MURRAY, LODWICK,
CLARKE, BALLOUN, ELVERS, SHAFF,
and LAMBORN

1 Amend the Potgeter, Murray, et al amendment to
2 House File 201, filed June 23, 1967, as follows:
3 1. By adding the following at the end thereof:
4 "Sec. 11. Chapter five hundred forty-three (543),
5 Code 1966, is hereby amended by adding thereto the
6 following:
7 'A licensed warehouseman may store grain in any
8 other licensed warehouse in addition to his own
9 facilities, subject to the following conditions:
10 1. He must obtain from such warehouseman a non-
11 negotiable warehouse receipt and such receipt must
12 show clearly the following notation: "held in trust
13 for" (customer's name and address).
14 2. Any grain stored by a licensed warehouseman in
15 facilities licensed by another warehouseman shall be
16 stored within a radius of twenty-five (25) statute miles
17 from the central facility of the warehouseman where it
18 was originally received for storage.
19 3. At such time as the warehouseman may begin to use
20 the additional facilities described in this section, he
21 must furnish additional bond acceptable to the commission
22 to cover the increase in his gross capacity.
23 4. A licensed warehouseman shall not accept grain for
24 storage from another licensed warehouseman while he has
25 grain stored under the provisions of this section.'"

Filed and adopted
June 26, 1967

By HEABERLIN and LUCKEN

1 Amend House File 201 by adding the following section
2 thereto:

"Sec. 9. Section five hundred forty-three point seven-
4 teen (543.17), Code 1966, is hereby amended by adding the
5 following at the end thereof:
6 Any warehouseman may buy, sell, and deliver grain
7 provided it is paid for within ten (10) days from time
8 of purchase."

Filed - *Withdrawn 6-24*
June 22, 1967

By SHAFF and LAMBORN

1 Amend the Murray, et al amendment, filed June 16, 1967,
2 to House File 201 as follows:

3 1. By adding the following new section thereto:
4 "Sec. 10. Section five hundred forty-three point
5 seventeen (543.17), Code 1966, is hereby amended by adding
6 the following at the end thereof:
7 'Any warehouseman may buy, sell, and deliver grain
8 provided it is paid for within ten (10) days from time of
9 purchase.'"

Filed - *Withdrawn 6-24*
June 22, 1967

By SHAFF and LAMBORN

1 Amend the Murray, et al amendment to House File 201, filed
2 June 16, 1967, as follows:

3 By adding the following at the end thereof:
4 "Sec. 10. Chapter five hundred forty-three (543), Code
5 1966, is hereby amended by adding thereto the following:
6 'A licensed warehouseman may store grain in any other
7 licensed warehouse in addition to his own facilities, subject
8 to the following conditions:

9 1. He must obtain from such warehouseman a non-negotiable
10 warehouse receipt and such receipt must show clearly the
11 following notation: "held in trust for" (customer's name and
12 address).

13 2. Any grain stored by a licensed warehouseman in facili-
14 ties licensed by another warehouseman shall be stored within
15 a radius of twenty-five (25) statute miles from the central
16 facility of the warehouseman where it was originally received
17 for storage.

18 3. At such time as the warehouseman may begin to use the
19 additional facilities described in this section, he must furnish
20 additional bond acceptable to the commission to cover the
21 increase in his gross capacity.

22 4. A licensed warehouseman shall not accept grain for
23 storage from another licensed warehouseman while he has grain
24 stored under the provisions of this section.'"

Filed - *Withdrawn 6-24*
June 22, 1967

1 Amend House File 201 as follows:
2 1. By striking all of section four (4), and by
3 renumbering the following section.

Filed
March 2, 1967

By POTGETER and BALLOU

1 Amend the Murray, et al amendment to House File 201 filed
2 June 16, 1967 as follows:
3 1. By striking all of Section 1, paragraph 1, after the
4 colon (:) in line 7, and inserting in lieu thereof the follow-
5 ing:
6 "If upon any such inspection a deficiency is found to
7 exist as to the quantity in excess of one thousand (1,000)
8 bushels of agricultural products stored, the commission shall
9 require an inspector to remain at the licensed warehouse and
10 supervise all operations conducted thereat involving agricul-
11 tural products stored under the provisions of this chapter
12 until such deficiency is corrected.
13 "If upon any such inspection a deficiency is found to
14 exist as to the quality of agricultural products stored, or
15 a deficiency is found to exist as to quantity of less than
16 one thousand (1,000) bushels of agricultural products stored,
17 the commission shall have the authority to, and may require
18 an inspector to remain at the licensed warehouse and super-
19 vise all operations conducted thereat involving agricultural
20 products stored under the provisions of this chapter until
21 such deficiency is corrected."
22 2. By adding after the period (.) in line 68 the follow-
23 ing:
24 "The agreement in addition to such other information as
25 may be required shall contain the following:
26 "1. The seller's, or depositor's, name and address.
27 "2. The date of delivery.
28 "3. The amount and kind of grain delivered.
29 "4. The grade and moisture content of the grain.
30 "5. The price per bushel or basis of value.
31 "6. The date payment is to be made."
32 3. By striking lines 96 through 102 and inserting in
33 lieu thereof the following:
34 "Claimants against such insurance shall have precedence
35 in the following order:
36 "1. Holders of warehouse receipts other than the ware-
37 houseman.
38 "2. Owners of bulk grain other than the warehouseman.
39 "3. Warehousemen who have warehouse receipts.
40 "4. Warehousemen owners of bulk grain.
41 "5. Owners of all other agricultural products as their
42 interests appear."
43 4. By inserting after the period (.) in line 121 the
44 following sentence: "The annual fee shall become due on
45 June 30 each year."
46 5. By adding the following new section:
47 "Section five hundred forty-three point thirteen (543.13),
48 subsection one (1), Code 1966, is hereby amended by striking
49 all of such subsection after the word "follows:" in line
50 five (5) and inserting in lieu thereof the following:
51 "a. For intended storage of bulk grain in any quantity

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52 less than twenty thousand (20,000) bushels, the minimum
53 amount of the bond shall be six thousand (6,000) dollars plus
54 one thousand (1,000) dollars for each two thousand (2,000)
55 bushels or fraction thereof in excess of twelve thousand
56 (12,000) bushels up to a total of twenty thousand (20,000)
57 bushels.

58 "b. For intended storage of bulk grain in any quantity
59 not less than twenty thousand (20,000) bushels and not more
60 than fifty thousand (50,000) bushels, the minimum amount of
61 the bond shall be ten thousand (10,000) dollars plus one
62 thousand (1,000) dollars for each three thousand (3,000)
63 bushels or fraction thereof in excess of twenty thousand
64 (20,000) bushels up to a total of fifty thousand (50,000)

65 bushels.

66 "c. For intended storage of bulk grain in any quantity
67 not less than fifty thousand (50,000) bushels and not more
68 than seventy thousand (70,000) bushels, the minimum amount of
69 the bond shall be twenty thousand (20,000) dollars plus one
70 thousand (1,000) dollars for each four thousand (4,000)
71 bushels or fraction thereof in excess of fifty thousand
72 (50,000) bushels up to a total of seventy thousand (70,000)
73 bushels.

74 "d. For intended storage of bulk grain in any quantity
75 not less than seventy thousand (70,000) bushels, the minimum
76 amount of the bond shall be twenty-five thousand (25,000)
77 dollars plus one thousand (1,000) dollars for each five
78 thousand (5,000) bushels or fraction thereof in excess of
79 seventy thousand (70,000) bushels."

Filed - *Withdrawn 6-24*
June 22, 1967

By LODWICK, CLARKE,
and MURRAY

1 Amend House File 201 as follows:

2 1. By striking all after the enacting clause and by in-
3 serting in lieu thereof the following:

4 Section 1. Section five hundred forty-three point two
5 (543.2), Code 1966, is hereby amended as follows:

6 1. By inserting in line eight (8) following the word
7 "thereof." the following: "If upon any such inspection a
8 deficiency is found to exist as to the quantity of agricul-
9 tural products stored, the commission shall have the authority
10 to, and may require an inspector to remain at the licensed
11 warehouse and supervise all operations conducted thereat
12 involving agricultural products stored under the provisions
13 of this chapter until such deficiency is corrected."

14 2. By striking from line eleven (11) the word "three" and
15 by inserting in lieu thereof the word "six".

16 Sec. 2. Section five hundred forty-three point eleven
17 (543.11), Code 1966, is hereby amended by striking all of
18 said section after the figures "543.15" in line fifteen (15)
19 and by inserting in lieu thereof the following:

20 ". If such additional insurance is not provided within
21 five days after notice by certified mail the license of the
22 warehouseman concerned shall be automatically suspended. If
23 such additional insurance is not filed within another twenty-
24 five days, the warehouse license shall be automatically revok-
25 ed. If additional bond is not provided within thirty days
26 after receiving notice by certified mail the warehouse license
27 shall be suspended. If such additional bond is not filed
28 within another sixty days the warehouse license shall be
29 automatically revoked. When a license is so revoked, the
30 commission shall notify each holder of an outstanding
31 warehouse receipt of such revocation. The commission shall
32 further notify each receipt holder that his grain must be
33 removed from the warehouse not later than the thirtieth day
34 following the initial revocation as herein set forth. Such

35 notice shall be by ordinary mail sent to the last known
36 address of each receipt holder.

37 "Whenever the commission shall receive notice from a
38 surety that it has cancelled the bond of a warehouseman, the
39 commission shall automatically suspend the warehouse license
40 if a new bond is not received by the commission within thirty
41 days of receipt of the notice of cancellation. The commission
42 shall cause an inspection of the licensed warehouse immediat-
43 ely at the end of such thirty-day period. If a new bond is not
44 received within sixty days of receipt of the notice of cancel-
45 lation the commission shall revoke the warehouse license. The
46 commission shall cause a further inspection of the licensed
47 warehouse at the end of such sixty-day period. When a license
48 is so revoked the commission shall give notice of such revoca-
49 tion to each holder of an outstanding warehouse receipt. The
50 commission shall further notify each receipt holder that his
51 grain must be removed from the warehouse not later than the
52 ninetieth day following receipt of notice of cancellation, by
53 the commission. Such notice to each receipt holder shall be
54 sent by ordinary mail to the last known address of each receipt
55 holder. The commission shall cause a final inspection of the
56 licensed warehouse immediately after the end of such ninety-
57 day period."

58 Sec. 3. Section five hundred forty-three point seventeen
59 (543.17), Code 1966, is hereby amended as follows:

60 1. By adding at the end thereof the following:
61 "Notwithstanding any of the above provisions of this sec-
62 tion, a written agreement may be made at the time of the
63 delivery of any bulk grain to the warehouseman that payment
64 will be deferred to a future date. Such agreement shall con-
65 tain a statement therein informing the seller that the ware-
66 houseman is not required to carry insurance or bond on such
67 grain for the benefit of the seller and that the payment for
68 such grain becomes a common claim against the warehouseman.
69 "Such agreement must be signed by both parties and executed
70 in triplicate. One copy shall be retained by the warehouseman,
71 one copy shall be delivered to the seller and one copy shall
72 be forwarded to the commission within five days from execu-
73 tion of such agreement."

74 2. By striking from line fourteen (14) the word "ten" and
75 by inserting in lieu thereof the word "thirty".

76 3. By striking from line sixteen (16) the word "nine" and
77 by inserting in lieu thereof the word "twenty-nine".

78 4. By striking from line seventeen (17) the word "tenth"
79 and by inserting in lieu thereof the word "thirtieth".

80 5. By striking from line twenty-six (26) the word "ten"
81 and by inserting in lieu thereof the word "thirty".

82 6. By striking all after the period in line sixty-five
83 (65) through the period in line seventy-two (72).

84 Sec. 4. Section five hundred forty-three point fifteen
85 (543.15), Code 1966, is hereby amended as follows:

86 1. By inserting in line sixteen (16) following the word

87 "commission." the following:

88 "No insurance policy shall be cancelled by the insurance
89 company on less than fifteen days notice by certified mail to
90 the commission and the principal unless such policy is being
91 replaced with another policy and evidence of the new policy
92 is filed with the commission at the time of cancellation of
93 the policy on file."

94 2. By striking the last sentence and by inserting in lieu
95 thereof the following:

96 "Holders of warehouse receipts, if any, and owners, other
97 than the warehouseman, of bulk grain not covered by warehouse
98 receipts shall have first claim against such insurance as
99 their interests may appear, and owners, other than the ware-
100 houseman, of all other agricultural products not covered by a
101 warehouse receipt shall have second claim against such insur-
102 ance as their interests may appear."

103 Sec. 5. Section five hundred forty-three point seven
104 (543.7), Code 1966, is hereby repealed.

105 Sec. 6. Section five hundred forty-three point thirty-
106 three (543.33), Code 1966, is hereby amended by adding a new
107 subsection as follows:

108 "For the cost of maintaining an inspector at a licensed
109 warehouse to supervise the correction of a deficiency, thirty
110 dollars per day."

111 Sec. 7. Section five hundred forty-three point thirty-
112 five (543.35), Code 1966, line nine (9), is hereby amended by
113 striking the word "always" and by inserting after the word
114 "available" the words "for the six previous years".

115 Sec. 8. Chapter five hundred forty-three (543), Code 1966,
116 is hereby amended by adding the following new sections there-
117 to:

118 failure to pay the annual fee provided for in section five
119 hundred forty-three point thirty-three (543.33) of the Code on
120 or before the date the same shall become due shall cause a
121 license to terminate."

122 "Nothing in this chapter shall be construed to imply any
123 guarantee or obligation on the part of the state of Iowa, or
124 any of its agencies, employees or officials, either elective
125 or appointive, in respect of any agreement or undertaking to
126 which the provisions of this chapter relate."

127 Sec. 9. Section five hundred forty-three point twenty-
128 eight (543.28), Code 1966, is hereby amended by striking from
129 lines twenty-six (26) and twenty-seven (27) the words "issuance
130 of the warehouse receipt" and by inserting in lieu thereof the
131 words "deliver to the warehouse".

Filed - *Withdrawn 6-24*
June 16, 1967

By MURRAY, BALLOUN, CLARK,
and POTGETER

1 Amend the Murray, Balloun, Clark and Potgeter amendment
2 filed June 16 as follows:

3 1. By striking the word "another" in line 28.
4 2. By adding the following as a new section following
5 Sec. 2 and renumbering the following sections:
6 "Section five hundred forty-three point thirteen (543.13),
7 Code 1966, is hereby amended as follows:

8 1. By inserting in line seven (7) following the word
9 "state" the following:
10 'No bond shall be cancelled by the surety on less than
11 ninety (90) days notice by certified mail to the commission
12 and the principal.'

13 2. By adding at the end thereof the following:
14 'Notwithstanding any other provisions of this chapter, the
15 bond provided in this section shall cover all bulk grain
16 deposited with a licensed warehouseman.'

17 3. By changing the word "deliver" in line 131 to "delivery".

Filed - *Withdrawn 6-24*
June 20, 1967 *H. 201*

By BALLOUN

1 Amend House File 201 by striking line 4 after the word "follow
2 and the remainder of paragraph 1 of section 1, and by inserting ing"
3 in lieu thereof the following: "If upon any such inspection a
4 deficiency is found to exist in quality of agricultural products
5 stored under the provisions of this chapter the commission may
6 require an inspector to remain at the licensed warehouse and
7 supervise all operations conducted thereat involving agricultural
8 products stored under the provisions of this chapter until such
9 quality deficiency is corrected."

Filed - *Withdrawn 6-22*
June 1, 1967

By BALLOUN

1 Amend House File 20i as follows:

2 1. Amend section three (3) by striking lines one (1)
3 through seven (7), inclusive and by inserting in lieu thereof
4 the following:

5 Section five hundred forty-three point seventeen (543.17),
6 Code 1966, is hereby amended as follows:

7 a. By adding at the end thereof the following:

8 "Notwithstanding any of the above provisions of this sec-
9 tion, an agreement may be made at the time of delivery of the
10 grain to the elevator that payment will be deferred to a
11 future date."

12 b. By striking from line fourteen (14) the word "ten" and
13 by inserting in lieu thereof the word "thirty (30)".

14 c. By striking from line sixteen (16) the word "nine" and
15 by inserting in lieu thereof the word "twenty-nine (29)".

16 d. By striking from line seventeen (17) the word "tenth"
17 and by inserting in lieu thereof the word "thirtieth (30th)".

18 e. By striking from line twenty-six (26) the word "ten"
19 and by inserting in lieu thereof the word "thirty (30)"

20 f. By striking all after the period in line sixty-five
21 (65) through the period in line seventy-two (72).

22 2. By adding the following new section:

23 Section five hundred forty-three point twenty-eight (543.28),
24 Code 1966, is hereby amended by striking from lines twenty-six

25 (26) and twenty-seven (27) the words "issue of the ware-
26 house receipt" and by inserting in lieu thereof the words
27 "deliver to the warehouse".

Filed

June 10, 1967

By MURRAY, BALLOUN, CLARKE,
and POTGETER

1 Amend House File 201 as follows: [REDACTED]
2 1. By striking from line 5 in section 1 the words "quality
3 or".
4 2. By inserting in line 6 of section 1 after the word
"shall"
5 the words "have the authority to, and may".
6 3. By striking from line 8 of section 5 the words "shall
be
7 subject to the approval of the commission and".
8 4. By striking all of section 6.
9 5. By adding the following new sections:
10 "Sec. 6. Section five hundred forty-three point seven
(543.7),
11 Code 1966, is hereby repealed.
12 "Sec. 7. Chapter five hundred forty-three (543), Code 1966,
13 is amended by adding the following new sections thereto:
14 'Failure to pay the annual fee provided for in section five
15 hundred forty-three point thirty-three (543.33) of the Code on
or
16 before the date the same shall become due shall cause a
license
17 to terminate.
18 'Nothing in this chapter shall be construed to imply any
19 guarantee or obligation on the part of the state of Iowa, or
any
20 of its agencies, employees or officials, either elective or
21 appointive, in respect of any agreement or undertaking to
which
22 the provisions of this chapter relate.'"
23 6. By renumbering the remaining sections in conformity with
24 this amendment.

Filed - *Withdrawn 6-22*
May 25, 1967

By POTGETER and MURRAY

1 Amend House File 201 by striking all after the enacting clause
2 and adding the following:

3 Section 1. Section five hundred forty-three point two (543.2),
4 Code 1966, is hereby amended as follows:

5 1. By inserting in line eight (8) following the word "thereof."
6 the following: "If upon any such inspection a deficiency is

7 exist as to the quality or quantity of agricultural products
8 the commission shall require an inspector to remain at the
9 warehouse and supervise all operations conducted thereat involving

10 agricultural products stored under the provisions of this chapter
11 until such deficiency is corrected."
12 2. By striking from line eleven (11) the word "three" and in-
13 serting in lieu thereof the word "six".

14 Sec. 2. Section five hundred forty-three point eleven (543.11),
15 Code 1966, is amended by striking all of said section after the
16 figures "543.15" in line fifteen (15) and inserting in lieu there-
of

17 the following:

18 ". If such additional insurance is not provided within five
19 after notice by certified mail the license of the warehouseman
20 cerned shall be automatically suspended. If such additional in-
21 surance is not filed within another twenty-five days, the ware-
22 house

23 license shall be automatically revoked. If additional bond is not
24 provided within thirty days after receiving notice by certified
25 mail

26 the warehouse license shall be suspended. If such additional
27 bond

28 is not filed within another sixty days the warehouse license
29 shall

30 be automatically revoked. When a license is so revoked, the
31 com-
32 mission shall notify each holder of an outstanding warehouse
33 receipt

34 of such revocation. The commission shall further notify each
35 receipt holder
36 that his grain must be removed from the warehouse not later than

37 the
38 thirtieth day following the initial revocation as herein set
39 forth.

Such notice shall be by ordinary mail sent to the last known
address
of each receipt holder.

33 Whenever the commission shall receive notice from a surety
34 that
35 it has cancelled the bond of a warehouseman, the commission
36 shall

37 automatically suspend the warehouse license if a new bond is
38 not

39 received by the commission within thirty days of receipt of the
40 notice of cancellation. The commission shall cause an inspec-
41 tion

42 of the licensed warehouse immediately at the end of such thirty-
43 day

44 period. If a new bond is not received within sixty days of
45 receipt

40 of the notice of cancellation the commission shall revoke the
 41 house license. The commission shall cause a further inspection ware-
 42 the licensed warehouse at the end of such sixty-day period. of
 43 license is so revoked the commission shall give notice of such When a
 44 revocation to each holder of an outstanding warehouse receipt. The
 45 commission shall further notify each receipt holder that his
 46 must be removed from the warehouse not later than the ninetieth grain
 47 following receipt of notice of cancellation by the commission. day
 48 notice to each receipt holder shall be sent by ordinary mail Such
 49 last known address of each receipt holder. The commission to the
 50 cause a final inspection of the licensed warehouse immediately shall
 51 the end of such ninety-day period." after

52 Sec. 3. Section five hundred forty-three point thirteen (543.13),
 53 Code 1966, is hereby amended as follows:

54 1. By inserting in line seven (7) following the word "state,"
 55 the
 56 following:
 57 "No bond shall be cancelled by the surety on less than ninety days
 58 notice by certified mail to the commission and the principal."

58 2. By adding at the end thereof the following:
 59 "Notwithstanding any other provisions of this chapter, the bond
 60 provided in this section shall cover all bulk grain deposited with a
 61 licensed warehouseman."

62 Sec. 4. Section five hundred forty-three point fifteen (543.15),
 63 Code 1966, is hereby amended as follows:

64 1. By inserting in line sixteen (16) following the word
 65 "commission."
 66 the following:

66 "No insurance policy shall be cancelled by the insurance
 67 company on
 68 less than fifteen days notice by certified mail to the commis-
 69 sion and
 70 the principal unless such policy is being replaced with another
 71 policy
 72 and evidence of the new policy is filed with the commission at
 73 the
 74 time of cancellation of the policy on file."

75 2. By striking the last sentence and inserting in lieu thereof
 76 the
 77 following:
 78 "Holders of warehouse receipts, if any, and owners, other
 79 than the

74 warehouseman, of bulk grain not covered by warehouse receipts shall
75 have first claim against such insurance as their interests may
76 and owners, other than the warehouseman, of all other agricultural
77 products not covered by a warehouse receipt shall have second
claim

78 against such insurance as their interests may appear."
79 Sec. 5. Section five hundred forty-three point seventeen
(543.17),
80 Code 1966, is amended by adding at the end thereof the following:
81 "Notwithstanding any of the above provisions of this section,
82 written agreement may be made at the time of the delivery of
any bulk
83 grain to the warehouseman that payment will be deferred to a
future
84 date. Such agreement shall be subject to the approval of the
com-

85 mission and shall contain a statement therein informing the
seller
86 that the warehouseman is not required to carry insurance or
bond on
87 such grain for the benefit of the seller and that the payment
for
88 such grain becomes a common claim against the warehouseman.
89 Such agreement must be signed by both parties and executed
in
90 triplicate. One copy shall be retained by the warehouseman,
one copy
91 shall be delivered to the seller and one copy shall be forwarded
to
92 the commission within five days from execution of such agreement."

93 Sec. 6. Section five hundred forty-three point thirty-one
(543.31),
94 Code 1966, is amended by inserting in line one (1) after the
word
95 "upon" the words "application accompanied by a fee of five
dollars and".

96 Sec. 7. Section five hundred forty-three point thirty-three
(543.33)
97 is amended by adding a new subsection as follows:

98 "For the cost of maintaining an inspector at a licensed
99 warehouse to supervise the correction of a deficiency, thirty
100 dollars per day."

101 Sec. 8. Section five hundred forty-three point thirty-five
102 (543.35), Code 1966, line 9, is amended by striking the word
103 "always" and inserting after the word "available" the words
104 "for the six previous years".

Filed - Adopted 5-8-67
April 20, 1967

COMMITTEE ON COMMERCE.