

Bill Ag 1/2/76

House File 807
Agriculture
Crabb, Chair
Harper
Miller of Calhoun

Pass per 5611 1/21

APR 23 1975

HOUSE FILE 807

Place On Calendar

By COMMITTEE ON AGRICULTURE

House File 807
Agriculture
Priebe, Chairperson
Merritt
Tieden

1/29, Pass per 5394 3/23

Passed House, Date 1-23-76 (p.115) Passed Senate, Date 5-28-76 (p.2435)

Vote: Ayes 90 Nays 0 Vote: Ayes 45 Nays 0

Approved 6-23-76

A BILL FOR

1 An Act relating to bonded agricultural warehouses.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section five hundred forty-three point one
2 (543.1), subsection eight (8), Code 1975, is amended to read
3 as follows:

4 8. "Warehouseman" means any person engaged in the busi-
5 ness of operating or controlling a warehouse for the storing,
6 shipping, handling or processing of agricultural products.

7 Sec. 2. Section five hundred forty-three point one (543.1),
8 Code 1975, is amended by adding the following new subsections:

9 NEW SUBSECTION. "Storage" means grain or agricultural
10 products which are received by a warehouseman from a depositor
11 either as a credit to the account of the depositor and for
12 which a contract of purchase has not been negotiated or as
13 a credit to the account of the warehouseman and which remains
14 in the custody or control of the warehouseman.

15 NEW SUBSECTION. "Open storage" means grain or agricul-
16 tural products which are received by a warehouseman from a
17 depositor for which warehouse receipts have not been issued
18 or a purchase made and the records documented accordingly.

19 Sec. 3. Section five hundred forty-three point two (543.2),
20 Code 1975, is amended to read as follows:

21 543.2 DUTIES AND POWERS OF THE COMMISSION. The commis-
22 sion is authorized to exercise general supervision over the
23 storage, warehousing, classifying according to grade or other-
24 wise, weighing, and certification of agricultural products.
25 The commission may inspect or cause to be inspected any ware-
26 house and may require the filing of reports describing any
27 warehouse or the operation thereof. If upon any such
28 inspection a deficiency is found to exist as to the quantity
29 or quality of agricultural products stored, the commission
30 shall have the authority to, and may require an inspector
31 employee to remain at the licensed warehouse and supervise
32 all operations conducted thereat involving agricultural
33 products stored under the provisions of this chapter until
34 such the deficiency is corrected. The commission shall inspect
35 or cause to be inspected every licensed warehouse and the

1 contents thereof not less than once every six months and the
2 commission shall have authority to make available to the
3 United States government, or any of its agencies, including
4 the Commodity Credit Corporation, the results of inspections
5 made and inspection reports submitted to it by employees of
6 the commission, upon payment to it of such charges as may
7 be determined by the commission, but in no event shall such
8 charges be less than the actual cost of such services rendered
9 in regard thereto, as determined by the commission. The
10 commission shall have authority to enter into contracts and
11 agreements for such purpose and shall keep a record of all
12 money thus received. All such money shall be paid over to
13 the treasurer of state as miscellaneous receipts. The
14 commission may classify any warehouse in accordance with its
15 suitability for the storage of agricultural products and shall
16 specify in any license issued for the operation of any
17 warehouse the type or types and the quantity of agricultural
18 products which may be exclusively stored in such warehouse.
19 The commission may prescribe, within the limitations of this
20 chapter, the duties of licensed warehousemen with respect
21 to the care of and responsibility for the contents of licensed
22 warehouses. The commission may from time to time establish
23 and publish standards for agricultural products by which
24 quality or value of such products may be judged or determined.
25 The commission may from time to time publish such data in
26 connection with the administration of this chapter as may
27 be of public interest. The commission shall have the duty
28 of administration of the further provisions of this chapter.

29 Sec. 4. Section five hundred forty-three point five
30 (543.5), subsection seven (7), Code 1975, is amended to read
31 as follows:

32 7. A tariff on a form to be prescribed by the commis-
33 sion, for storage, conditioning of stored products, and
34 delivery receiving and loadout charges.

35 Sec. 5. Section five hundred forty-three point fourteen

1 (543.14), Code 1975, is amended by adding the following new
2 unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Upon revocation of a license,
4 any claim by a creditor shall be filed against the warehouseman
5 within one hundred twenty days after the date of revocation.

6 Sec. 6. Section five hundred forty-three point seventeen
7 (543.17), subsection one (1), unnumbered paragraph one (1),
8 and subsection two (2), unnumbered paragraphs one (1), three
9 (3) and four (4), Code 1975, are amended to read as follows:

10 1. Any grain which has been received at any licensed ware-
11 house for which the actual sale price is not fixed and proper
12 documentation made or payment made shall be construed to be
13 grain held for storage within the meaning of this chapter.
14 Grain may be held in open storage or placed on warehouse
15 receipt. Actual payment shall be made on all priced grain,
16 or warehouse receipts shall be issued for all grain held in
17 open storage, within six months of delivery to the warehouse,
18 unless the depositor has signed a statement that he does not
19 desire a warehouse receipt or unless a deferred payment con-
20 tract has been concluded pursuant to subsection two (2) of
21 this section. ~~Such grain shall then be considered as open~~
22 ~~storage.~~ Any deposit of grain for which the price has not
23 been fixed and properly documented within thirty days from
24 delivery to the warehouse shall be deemed as storage. The
25 warehouseman's tariff shall apply for any grain that is re-
26 tained in open storage or under warehouse receipt.

27 2. Notwithstanding any provisions of this section, a
28 written agreement may be made ~~within thirty days of first~~
29 ~~delivery of any bulk grain to a licensed warehouseman that~~
30 ~~payment will be deferred to a future date~~ between the seller
31 and the licensed warehouseman for any bulk grain delivered
32 to or stored at a licensed warehouse that payment will be
33 deferred to a later date. Such agreement shall contain a
34 statement informing the seller that the warehouseman shall
35 not be required to carry insurance or bond on such grain for

1 the benefit of the seller and that the payment for such grain
2 becomes a common claim against the warehouseman.

3 Such agreement must be numbered and signed by both parties
4 and executed in ~~triplicate~~ duplicate. One copy shall be
5 retained by the warehouseman, and one copy shall be delivered
6 to the seller ~~and one copy shall be forwarded to the commission~~
7 ~~within five days from execution of such agreement.~~

8 Grain received or purchased in storage under a deferred
9 payment contract under the provisions of this section shall
10 ~~not~~ be deemed as ~~stored-grain~~ warehouse owned grain.

11 Sec. 7. Section five hundred forty-three point eighteen
12 (543.18), subsection one (1), Code 1975, is amended to read
13 as follows:

14 1. The ~~delivery-charge~~ receiving and loadout charges which
15 will be made by the warehouseman.

16 Sec. 8. Section five hundred forty-three point eighteen
17 (543.18), Code 1975, is amended by adding the following new
18 unnumbered paragraph:

19 NEW UNNUMBERED PARAGRAPH. Warehouses that are not li-
20 censed pursuant to this chapter or by the United States
21 government shall not issue warehouse receipts for agricul-
22 tural products.

23 Sec. 9. Section five hundred forty-three point twenty-
24 eight (543.28), unnumbered paragraphs one (1), two (2), three
25 (3), and five (5), Code 1975, are amended to read as follows:

26 The commission may from time to time prescribe a mini-
27 mum charge for storage and a minimum delivery receiving and
28 loadout charge. Unless and until otherwise specified by rule
29 of the commission, the minimum storage charge for bulk grain
30 shall be as follows:

31 The minimum delivery receiving or loadout charge for bulk
32 grain shall be two cents per bushel. No delivery receiving
33 or loadout charge shall be made for products sold to the
34 warehouseman whether such product has been in storage or not.
35 The specific delivery receiving or loadout charge herein

1 provided shall not be mandatory as to grain received into
2 grain elevators from railroad cars nor as to grain sold by
3 a warehouseman and carried as storage for the purchaser.

4 The storage charges herein provided for shall commence
5 on the date of ~~delivery-to~~ receipt by the warehouse. Provided,
6 however, that a storage ~~or-delivery,~~ receiving or loadout
7 charge other than that specified above may be made, if such
8 charge is required by the terms of a written contract with
9 the United States government, any of its subdivisions or
10 agencies, providing copy of such contract is filed with the
11 commission.

12 It shall be the duty of every warehouseman at the time
13 of making application for a license, to file a tariff with
14 the commission and to publish the same, which shall contain
15 rates to be charged for storage, conditioning of stored
16 products, and ~~delivery~~ receiving or loadout charges, such
17 publication of tariff to be made by the applicant by posting
18 the same in a conspicuous place at the place of business of
19 the applicant. Such tariff shall be in a form as prescribed
20 by the commission and shall become effective at the time the
21 license becomes effective.

22 Sec. 10. Section five hundred forty-three point thirty-
23 three (543.33), subsection five (5), Code 1975, is amended
24 to read as follows:

25 5. For the cost of maintaining an ~~inspector~~ employee at
26 a licensed warehouse to supervise the correction of a
27 deficiency, ~~thirty~~ fifty dollars per day.

28 Sec. 11. Section five hundred forty-three point thirty-
29 six (543.36), Code 1975, is amended to read as follows:

30 543.36 PENALTIES--MISDEMEANOR. Every person who violates
31 or fails to comply with any of the provisions of this chap-
32 ter or to comply with any lawfully authorized order, direction,
33 demand, or rule or regulation of the commission shall be
34 guilty of a misdemeanor and upon conviction shall be punished
35 by a fine not exceeding one hundred dollars or by imprisonment

1 in the county jail for a period of not to exceed thirty days
2 ~~or-by-both-such-fine-and-imprisonment.~~

3 EXPLANATION

4 This bill makes the following changes in the chapter of
5 the Code relating to agricultural warehouses:

6 1. Adds a definition of the terms "storage" and "open
7 storage" to the chapter.

8 2. Clarifies provisions relating to the warehouseman's
9 tariff.

10 3. Provides that claims against a warehouseman must be
11 filed within one hundred twenty days following the revocation
12 of the warehouseman's license.

13 4. Allows a deferred payment contract to be concluded
14 at any time. Presently a deferred payment contract may not
15 be issued for grain held in storage in excess of thirty days.

16 5. Increases the daily inspection charge from thirty to
17 fifty dollars.

18 6. Changes the penalty for violation of the chapter from
19 an indictable misdemeanor to an unindictable misdemeanor.

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S-5394

1 Amend House File 807, as amended and passed by
2 the House, as follows:

3 1. Page 2, by adding after line 28 the follow-
4 ing new sections:

5 "Sec. _____. Section five hundred forty-three point
6 four (543.4), Code 1975, is amended by adding the
7 following new unnumbered paragraph:

8 NEW UNNUMBERED PARAGRAPH. In order to receive
9 and retain a license the applicant shall have and
10 maintain a net worth of at least ten thousand dollars.
11 The license shall terminate on June thirtieth of each
12 year. A warehouse license may be renewed by the
13 filing of a renewal application on a form prescribed
14 by the commission accompanied by a current financial
15 statement and the renewal fee. A renewal application
16 shall be received by the commission on or before June
17 thirtieth. A warehouse license which has expired
18 may be reinstated by the commission upon receipt of
19 a proper renewal application, current financial
20 statement, renewal fee, and penalty fee in the amount
21 of ten dollars from the warehouseman, provided that
22 such are filed within thirty days from the date of
23 termination of the warehouse license. The commission
24 may cancel a warehouse license upon request of the
25 licensee unless a complaint or information is filed
26 against the licensee alleging a violation of a
27 provision of this chapter."

28 2. Page 2, by striking line 35.

29 3. Page 3, by striking lines 1 through 5 and in-
30 sserting in lieu thereof the following new section:

31 "Sec. _____. Section five hundred forty-three point
32 fourteen (543.14), Code 1975, is amended by striking
33 the section and inserting in lieu thereof the follow-
34 ing:

35 543.14 CLAIMS--NOTICE. Upon revocation,
36 termination or cancellation of a warehouse license,
37 any claim against the warehouseman shall be filed
38 in writing with the warehouseman and the surety on
39 the warehouseman's bond within one hundred twenty
40 days from the date of the revocation, termination
41 or cancellation. Failure to file a timely claim shall
42 relieve the surety of all obligations to the claimant,
43 provided, that this section shall not be construed
44 to reduce the aggregate liability of the surety to
45 other claimants below the face amount of the bond
46 then in effect. Upon revocation of a warehouse
47 license, the commission shall cause notice of such
48 revocation to be published in a newspaper of general
49 circulation within the state once each week for two
50 consecutive weeks. The notice shall state the name

1 and the address of the warehouseman, the effective
2 date of revocation, and the name and address of the
3 surety on the warehouseman's bond. The notice shall
4 also state that any claim against the warehouseman
5 shall be filed in writing with the warehouseman and
6 with the surety on the warehouseman's bond within
7 one hundred twenty days after revocation."

8 4. Page 4, by striking lines 19 through 22 and
9 inserting in lieu thereof the following:
10 "NEW UNNUMBERED PARAGRAPH. Warehousemen who are
11 not licensed pursuant to this chapter shall not issue
12 warehouse receipts for bulk grain."

13 5. Page 5, line 27, by striking the word "fifty"
14 and inserting in lieu thereof the word "forty".

15 6. Page 6, by inserting after line 2 the following
16 new section:

17 "Sec. _____. Section five hundred forty-three point
18 thirty-nine (543.39), subsection two (2), Code 1975,
19 is amended to read as follows:

20 2. Any grain stored by a licensed warehouseman
21 in facilities licensed by another warehouseman shall
22 be stored within a radius of twenty-five statute miles
23 from the central facility of the warehouseman where
24 it was originally received for storage the state."

S-5394 FILED - *Withdrawn 5/28*
MARCH 23, 1976

BY KENNETH SCOTT, ACTING CHAIRPERSON
AGRICULTURE COMMITTEE

H-3726

Amend House File 807, as follows:

1 1. Page 1, by striking lines 9 through 14
2 and inserting in lieu thereof the following:
3 "NEW SUBSECTION. "Storage" means any grain
4 or other agricultural products that have been
5 received and have come under care, custody or con-
6 trol of a warehouseman either for the depositor
7 for which a contract of purchase has not been
8 negotiated or for the warehouseman operating the
9 facility."

10 2. Page 5, line 5, by striking the words
11 "receipt by" and inserting in lieu thereof the
12 words "receiving into".
13

H-3726 FILED - *adopted 1/23*
MAY 1, 1975

BY CRABB of Crawford

H-5011

Amend House File 807, as follows:

1 1. Page 5, line 5, by striking the words
2 "receipt by" and inserting in lieu thereof the
3 words "receiving into".
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H-5011 FILED - *Withdrawn 1/23* BY COMMITTEE ON AGRICULTURE
JANUARY 21, 1976 HUSAK of Tama, Chair

S-5407

1 Amend House File 807 as amended and passed by the
2 House as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1. Section five hundred forty-two point
6 three (542.3), Code 1975, is amended to read as
7 follows:

8 542.3 LICENSE REQUIRED. No person shall engage
9 in the business of a grain dealer in this state without
10 having obtained a license issued by the commission,
11 unless such person is a licensed warehouseman, as
12 defined in section five hundred forty-three point
13 one (543.1) of the Code, or a warehouseman licensed
14 under Title seven (VII) of the United States Code.

15 Each application for a license to engage in business
16 as a grain dealer shall be filed with the commission
17 and shall be in a form prescribed by the commission.
18 The application shall include the name of the
19 applicant, its principal officers if the applicant
20 is a corporation or the active members of a partnership
21 if the applicant is a partnership and the location
22 of the principal office or place of business of the
23 applicant. A separate license shall be required for
24 each location at which the records are normally kept
25 for transactions of the grain dealer. The application
26 shall also list the number of trucks or tractor trailer
27 units that will be used in the transportation of grain
28 purchased for resale or grain transported into this
29 state for resale. The application shall be accompanied
30 by a complete financial statement of the applicant
31 setting forth the assets, liabilities and the net
32 worth of the applicant. In order to receive a license
33 the net worth of an applicant must exceed five thousand
34 dollars. The commission may require additional
35 information or verification with respect to the
36 financial resources of the applicant and the
37 applicant's ability to pay producers for grain
38 purchased from them."

39 2. By renumbering sections as necessary.

S-5407 FILED. *Withdrawn 5/29/76 (p. 2434)*
MARCH 24, 1976

BY CALVIN O. HULTMAN

HOUSE FILE 807

AN ACT

RELATING TO BONDED AGRICULTURAL WAREHOUSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section five hundred forty-three point one (543.1), subsection eight (8), Code 1975, is amended to read as follows:

8. "Warehouseman" means any person engaged in the business of operating or controlling a warehouse for the storing, shipping, handling or processing of agricultural products.

Sec. 2. Section five hundred forty-three point one (543.1), Code 1975, is amended by adding the following new subsections:

NEW SUBSECTION. "Storage" means any grain or other agricultural products that have been received and have come under care, custody or control of a warehouseman either for the depositor for which a contract of purchase has not been negotiated or for the warehouseman operating the facility.

NEW SUBSECTION. "Open storage" means grain or agricultural products which are received by a warehouseman from a depositor for which warehouse receipts have not been issued or a purchase made and the records documented accordingly.

Sec. 3. Section five hundred forty-three point two (543.2), Code 1975, is amended to read as follows:

543.2 DUTIES AND POWERS OF THE COMMISSION. The commission is authorized to exercise general supervision over the storage, warehousing, classifying according to grade or otherwise, weighing, and certification of agricultural products. The commission may inspect or cause to be inspected any warehouse and may require the filing of reports describing any warehouse or the operation thereof. If upon any such inspection a deficiency is found to exist as to the quantity or quality of agricultural products stored, the commission shall have the authority to, and may require an inspector

employee to remain at the licensed warehouse and supervise all operations conducted thereat involving agricultural products stored under the provisions of this chapter until such the deficiency is corrected. The commission shall inspect or cause to be inspected every licensed warehouse and the contents thereof not less than once every six months and the commission shall have authority to make available to the United States government, or any of its agencies, including the Commodity Credit Corporation, the results of inspections made and inspection reports submitted to it by employees of the commission, upon payment to it of such charges as may be determined by the commission, but in no event shall such charges be less than the actual cost of such services rendered in regard thereto, as determined by the commission. The commission shall have authority to enter into contracts and agreements for such purpose and shall keep a record of all money thus received. All such money shall be paid over to the treasurer of state as miscellaneous receipts. The commission may classify any warehouse in accordance with its suitability for the storage of agricultural products and shall specify in any license issued for the operation of any warehouse the type or types and the quantity of agricultural products which may be exclusively stored in such warehouse. The commission may prescribe, within the limitations of this chapter, the duties of licensed warehousemen with respect to the care of and responsibility for the contents of licensed warehouses. The commission may from time to time establish and publish standards for agricultural products by which quality or value of such products may be judged or determined. The commission may from time to time publish such data in connection with the administration of this chapter as may be of public interest. The commission shall have the duty of administration of the further provisions of this chapter.

Sec. 4. Section five hundred forty-three point five (543.5), subsection seven (7), Code 1975, is amended to read as follows:

7. A tariff on a form to be prescribed by the commission, for storage, conditioning of stored products, and delivery receiving and loadout charges.

Sec. 5. Section five hundred forty-three point fourteen (543.14), Code 1975, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Upon revocation of a license, any claim by a creditor shall be filed against the warehouseman within one hundred twenty days after the date of revocation.

Sec. 6. Section five hundred forty-three point seventeen (543.17), subsection one (1), unnumbered paragraph one (1), and subsection two (2), unnumbered paragraphs one (1), three (3) and four (4), Code 1975, are amended to read as follows:

1. Any grain which has been received at any licensed warehouse for which the actual sale price is not fixed and proper documentation made or payment made shall be construed to be grain held for storage within the meaning of this chapter. Grain may be held in open storage or placed on warehouse receipt. Actual payment shall be made on all priced grain, or warehouse receipts shall be issued for all grain held in open storage, within six months of delivery to the warehouse, unless the depositor has signed a statement that he does not desire a warehouse receipt or unless a deferred payment contract has been concluded pursuant to subsection two (2) of this section. ~~Such grain shall then be considered as open storage.~~ Any deposit of grain for which the price has not been fixed and properly documented within thirty days from delivery to the warehouse shall be deemed as storage. The warehouseman's tariff shall apply for any grain that is retained in open storage or under warehouse receipt.

2. Notwithstanding any provisions of this section, a written agreement may be made ~~within thirty days of first delivery of any bulk grain to a licensed warehouseman that payment will be deferred to a future date~~ between the seller and the licensed warehouseman for any bulk grain delivered to or stored at a licensed warehouse that payment will be

deferred to a later date. Such agreement shall contain a statement informing the seller that the warehouseman shall not be required to carry insurance or bond on such grain for the benefit of the seller and that the payment for such grain becomes a common claim against the warehouseman.

Such agreement must be numbered and signed by both parties and executed in ~~triplicate~~ duplicate. One copy shall be retained by the warehouseman, and one copy shall be delivered to the seller ~~and one copy shall be forwarded to the commission within five days from execution of such agreement.~~

Grain received or purchased in storage under a deferred payment contract under the provisions of this section shall ~~not~~ be deemed as ~~stored-grain~~ warehouse owned grain.

Sec. 7. Section five hundred forty-three point eighteen (543.18), subsection one (1), Code 1975, is amended to read as follows:

1. The delivery charge receiving and loadout charges which will be made by the warehouseman.

Sec. 8. Section five hundred forty-three point eighteen (543.18), Code 1975, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Warehouses that are not licensed pursuant to this chapter or by the United States government shall not issue warehouse receipts for agricultural products.

Sec. 9. Section five hundred forty-three point twenty-eight (543.28), unnumbered paragraphs one (1), two (2), three (3), and five (5), Code 1975, are amended to read as follows:

The commission may from time to time prescribe a minimum charge for storage and a minimum delivery receiving and loadout charge. Unless and until otherwise specified by rule of the commission, the minimum storage charge for bulk grain shall be as follows:

The minimum delivery receiving or loadout charge for bulk grain shall be two cents per bushel. No delivery receiving or loadout charge shall be made for products sold to the

warehouseman whether such product has been in storage or not. The specific delivery receiving or loadout charge herein provided shall not be mandatory as to grain received into grain elevators from railroad cars nor as to grain sold by a warehouseman and carried as storage for the purchaser.

The storage charges herein provided for shall commence on the date of delivery-to receiving into the warehouse. Provided, however, that a storage er-delivery, receiving or loadout charge other than that specified above may be made, if such charge is required by the terms of a written contract with the United States government, any of its subdivisions or agencies, providing copy of such contract is filed with the commission.

It shall be the duty of every warehouseman at the time of making application for a license, to file a tariff with the commission and to publish the same, which shall contain rates to be charged for storage, conditioning of stored products, and delivery receiving or loadout charges, such publication of tariff to be made by the applicant by posting the same in a conspicuous place at the place of business of the applicant. Such tariff shall be in a form as prescribed by the commission and shall become effective at the time the license becomes effective.

Sec. 10. Section five hundred forty-three point thirty-three (543.33), subsection five (5), Code 1975, is amended to read as follows:

5. For the cost of maintaining an inspector employee at a licensed warehouse to supervise the correction of a deficiency, thirty fifty dollars per day.

Sec. 11. Section five hundred forty-three point thirty-six (543.36), Code 1975, is amended to read as follows:

543.36 PENALTIES--MISDEMEANOR. Every person who violates or fails to comply with any of the provisions of this chapter or to comply with any lawfully authorized order, direction, demand, or rule or regulation of the commission shall be guilty of a misdemeanor and upon conviction shall be punished

by a fine not exceeding one hundred dollars or by imprisonment in the county jail for a period of not to exceed thirty days ~~er-by-both-such-fine-and-imprisonment.~~

DALE M. COCHRAN
Speaker of the House

ARTHUR A. NEU
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 807, Sixty-sixth General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved 6/23, 1976

ROBERT D. RAY
Governor