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FILED MAR 6 1997

SENATE FILE 341  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 254)

Passed Senate, Date 3/25/97 (p. 789) Passed House, Date \_\_\_\_\_  
Vote: Ayes 43 Nays 1 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act prohibiting certain contracts for the delayed delivery and  
2 pricing of grain by agricultural producers and grain dealers.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 341

S-3184

1 Amend Senate File 341 as follows:  
2 1. Page 1, line 7, by inserting after the word  
3 "executed." the following: "The department is not  
4 required to review or approve a contract provided for  
5 under this section. The contract is voidable in an  
6 action brought in district court by a party to the  
7 contract who sells grain to a grain dealer."  
By JOHN P. KIBBIE

S.F. 341

S-3184 FILED MARCH 20, 1997  
Adopted 3/25/97 (p. 789)

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1 Section 1. NEW SECTION. 203.15A CONTRACTS FOR DELAYED  
2 DELIVERY AND PRICING OF GRAIN -- PROHIBITION.

3 A grain dealer shall not execute a contract with a producer  
4 for the purchase of undelivered grain in which a price for the  
5 grain may be established and delivery of the grain may occur  
6 more than eighteen months from the date that the contract is  
7 executed.

8 EXPLANATION

9 This bill relates to transactions involving contracts for  
10 the sale of grain between producers of the grain and grain  
11 dealers regulated by the department of agriculture and land  
12 stewardship. The bill prohibits a grain dealer from  
13 purchasing grain under a contract which allows for the  
14 delivery of grain and the establishment of a price for that  
15 grain more than 18 months from the date that the contract is  
16 executed.

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SENATE FILE 341  
FISCAL NOTE

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A fiscal note for Senate File 341 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 341 limits the time period on Contracts For Delayed Delivery and Pricing of Grain. Grain delivery is limited to a period of 18 months when the price is not stated on the contract.

ASSUMPTIONS

Delayed delivery and pricing contracts would be regulated by the State's Grain Warehouse Bureau in the Department of Agriculture and Land Stewardship. To ensure delayed delivery and pricing contracts were completed properly, the Bureau would need to review all contracts during grain elevator inspections. Presently, credit sale contracts are the only type of contract reviewed during the inspection.

As a result of the extended review, grain elevator operators would need to make all contract documents available to the examiner. To expedite the review process, grain elevator operators would need to identify and organize the contracts in numerical order.

FISCAL IMPACT

The Grain Warehouse Bureau estimates the extended review of contracts would require a minimum of ten additional hours per warehouse examination. This would necessitate hiring five additional examiners to meet the expanded work load. Expenditures for FY 1998 for five examiners would be \$354,000 and \$269,000 for FY 1999.

SOURCE

Department of Agriculture and Land Stewardship

(LSB 2385SV, DFK)

FILED MARCH 25, 1997

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 341  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 254)

(AS AMENDED AND PASSED BY THE SENATE MARCH 25, 1997)

\_\_\_\_\_ - New Language by the Senate

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

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S.F. 341

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