

4-9-97 Referred Back Agree.

FILED MAR 17 1997

SENATE FILE **484**  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 356)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing for the regulation of grain dealers.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

**S.F. 484**

1 Section 1. Section 203.9, unnumbered paragraph 1, Code  
2 1997, is amended to read as follows:

3 The department may inspect the premises used by any grain  
4 dealer in the conduct of the dealer's business at any time,  
5 and the books, accounts, records, and papers of every grain  
6 dealer ~~which pertain to grain purchases~~ are subject to  
7 inspection by the department during ordinary business hours.  
8 The department shall cause the business premises and books,  
9 accounts, records, and papers of every grain dealer to be  
10 inspected at least once each eighteen-month period without  
11 justification. The department shall prioritize inspections  
12 based on the system provided in section 203.22. The  
13 department may use a risk rating produced by a statistical  
14 model provided in section 203.22 as justification to conduct  
15 an inspection. The transporter of grain in transit shall  
16 possess bills of lading or other documents covering the grain,  
17 and shall present them to any law enforcement officer or to a  
18 person designated as an enforcement officer under section  
19 203.13 on demand. If there is justification to believe that a  
20 person is engaged without a license in the business of a grain  
21 dealer in this state, the department may inspect the books,  
22 papers, and records of the person which pertain to grain  
23 purchases.

24 Sec. 2. Section 203.15, subsection 7, paragraph c,  
25 unnumbered paragraph 2, Code 1997, is amended to read as  
26 follows:

27 A bond filed with the department under this paragraph shall  
28 not be canceled by the issuer on less than ninety days notice  
29 by certified mail to the department and the principal, unless  
30 the bond is being replaced with another bond and evidence of  
31 the new bond is filed with the department at the time of the  
32 cancellation of the bond on file. When the department  
33 receives notice from an issuer that it has canceled the bond,  
34 the department shall automatically suspend the grain dealer's  
35 license if a replacement bond is not received by the

1 department within sixty days of the issuance of the notice of  
2 cancellation. The department shall cause an inspection of the  
3 licensed grain dealer immediately at the end of the sixty-day  
4 period. If a replacement bond is not filed within another  
5 thirty days following the suspension, the grain dealer license  
6 shall be automatically revoked. When a license is revoked,  
7 the department shall provide notice of the revocation by  
8 ordinary mail to the last known address of each holder of an  
9 outstanding credit-sale contract and all known sellers.

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

EXPLANATION

The bill amends chapter 203 providing for the regulation of grain dealers required to be licensed by the department of agriculture and land stewardship.

The bill amends a provision allowing the department to inspect the records of the grain dealer, by eliminating a requirement that the record must pertain to a grain purchase.

The bill amends a provision requiring the filing of a bond by a grain dealer. Specifically, it provides that an issuer of the bond is not required to notify the department of the cancellation of a bond, if the grain dealer files a replacement bond with the department.