

3/18/02 Returned to *Agriculture*

FILED FEB 25 2002

SENATE FILE 2294
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 2154)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to grain, by providing for its regulation,
2 including the regulation of credit sale contracts, and making
3 penalties applicable.

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

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SF 2294

1 Section 1. Section 203.3, subsection 4, paragraph a, Code
2 2001, is amended to read as follows:

3 a. The grain dealer shall have and maintain a net worth of
4 at least ~~seventy-five~~ one hundred fifty thousand dollars, or
5 maintain a deficiency bond or an irrevocable letter of credit
6 in the amount of two thousand dollars for each one thousand
7 dollars or fraction thereof of net worth deficiency. However,
8 a person shall not be licensed as a class 1 grain dealer if
9 the person has a net worth of less than thirty-seven thousand
10 five hundred dollars.

11 Sec. 2. Section 203.15, subsection 8, paragraph e, Code
12 2001, is amended to read as follow:

13 e. The grain dealer's total liabilities are greater than
14 ~~seventy-five~~ sixty-five percent of the grain dealer's total
15 assets.

16 EXPLANATION

17 This bill amends provisions in Code chapter 203 regulating
18 grain dealers including requirements for offering credit sale
19 contracts.

20 The term "credit sale contract" is currently defined to
21 mean a contract for the sale of grain pursuant to which the
22 sale price is to be paid more than 30 days after the delivery
23 of the grain to the buyer. It includes any contract that is
24 titled as a credit sale contract, and includes but is not
25 limited to those contracts commonly referred to as deferred-
26 payment contracts, deferred-pricing contracts, and price-later
27 contracts.

28 The bill increases the net worth requirements for grain
29 dealers in order to receive class 1 licenses. It also
30 decreases the grain dealer's total liabilities as a percent of
31 the grain dealer's total assets required for a grain dealer to
32 purchase grain by credit sale contract.

33 Generally a licensee who violates a provision of the bill
34 is guilty of a simple misdemeanor. With respect to a
35 continuing violation, each day that the violation continues is

1 a separate offense. A simple misdemeanor is punishable by
2 confinement for no more than 30 days or a fine of at least \$50
3 but not more than \$500, or by both.

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