

# House File 531 - Introduced

HOUSE FILE \_\_\_\_\_  
BY KUHN

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

## A BILL FOR

1 An Act providing for a right to rescind a future grain delivery  
2 contract, and providing an effective date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2138HH 83  
5 da/nh/5

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1 1 Section 1. NEW SECTION. 203B.1 DEFINITIONS.  
1 2 As used in this chapter, unless the context otherwise  
1 3 requires:  
1 4 1. "Future grain delivery contract" or "contract" means a  
1 5 contract for the sale of grain, in which a buyer and seller  
1 6 agree upon the delivery of a specified quality and quantity of  
1 7 grain during one or more specified future periods or upon the  
1 8 satisfaction of one or more future conditions at least thirty  
1 9 days after the execution of the contract.  
1 10 2. "Grain" means the same as defined in section 203.1.  
1 11 3. "Grain dealer" means a person required to be licensed  
1 12 to engage in the business of a grain dealer pursuant to  
1 13 section 203.3.  
1 14 4. "Seller" means a person who sells grain to a grain  
1 15 dealer under a future grain delivery contract.  
1 16 Sec. 2. NEW SECTION. 203B.2 RIGHT OF SELLER TO RESCIND  
1 17 FUTURE GRAIN DELIVERY CONTRACT.  
1 18 1. a. A seller may unilaterally rescind a future grain  
1 19 delivery contract executed with a grain dealer for breach of  
1 20 contract based on the grain dealer's failure to provide  
1 21 consideration for the grain as required in the contract.  
1 22 Provisions in the contract which require the future delivery  
1 23 of grain are not severable, and shall also be rescinded. Any  
1 24 other such contract executed by the seller and the grain  
1 25 dealer which also requires the future delivery of grain shall  
1 26 be deemed part of the same contract, and shall also be  
1 27 rescinded.  
1 28 2. The rescision of a future grain delivery contract as  
1 29 provided in subsection 1 becomes effective when the seller  
1 30 does all of the following:  
1 31 a. Notifies the grain dealer of the rescision by certified  
1 32 mail as provided in section 618.15.  
1 33 b. Repays the grain dealer any amount paid to the person  
1 34 for future deliveries as provided in the contract.  
1 35 3. A waiver of a right to rescind a future grain delivery  
2 1 contract as provided in this section is void and  
2 2 unenforceable. However, this subsection does not affect other  
2 3 provisions of a contract or a related document, policy, or  
2 4 agreement which can be given effect without the voided  
2 5 provision.  
2 6 Sec. 3. EFFECTIVE DATE. This Act, being deemed of  
2 7 immediate importance, takes effect upon enactment.  
2 8 EXPLANATION  
2 9 This bill applies to a person who sells grain to a grain  
2 10 dealer required to be licensed by the department of  
2 11 agriculture and land stewardship under a future grain delivery  
2 12 contract. The bill provides that a seller may unilaterally  
2 13 rescind the contract based on the grain dealer's failure to  
2 14 provide payment. The rescision includes any other provision in  
2 15 the contract requiring future delivery. In addition, any  
2 16 other contracts executed by the parties which require the  
2 17 future delivery of grain are similarly rescinded. The  
2 18 rescision takes effect when the seller notifies the licensed  
2 19 grain dealer and repays any amount received under the contract  
2 20 or contracts.

2 21 The bill takes effect upon enactment.  
2 22 LSB 2138HH 83  
2 23 da/nh/5