

**Senate File 2401 - Reprinted**

SENATE FILE 2401

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2393)

(SUCCESSOR TO SSB 3174)

(As Amended and Passed by the Senate April 2, 2024)

**A BILL FOR**

1 An Act regulating the marketing of grain, by providing for  
2 fees paid by grain dealers and warehouse operators into  
3 the grain depositors and sellers indemnity fund, and the  
4 payment of claims to reimburse sellers and depositors for  
5 losses covered by the fund, and including effective date  
6 provisions.

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

DIVISION I

CLAIMS AGAINST GRAIN DEPOSITORS AND SELLERS INDEMNITY FUND

Section 1. Section 203.15, subsection 6, Code 2024, is amended by striking the subsection.

Sec. 2. Section 203D.1, subsection 2, Code 2024, is amended by striking the subsection.

Sec. 3. Section 203D.1, subsection 14, paragraph b, Code 2024, is amended to read as follows:

*b.* "Purchased grain" does not include grain that is subject to an exempt transaction based on documentation satisfactory to the department showing that the grain dealer did any of the following:

(1) Purchased the grain from the United States government or any of its subdivisions or agencies.

(2) Purchased the grain from a person licensed as a grain dealer in any jurisdiction.

~~(3) Purchased the grain under a credit-sale contract.~~

~~(4)~~ (3) Entered the grain in the company-owned paid position as a cancellation of a collateral warehouse receipt.

~~(5)~~ (4) Entered the grain in the company-owned paid position as an intra-company location transfer.

Sec. 4. Section 203D.1, subsection 16, Code 2024, is amended to read as follows:

16. *a.* "Seller" means a person who sells grain which the person has produced or caused to be produced to a licensed grain dealer, ~~but excludes a person who executes a credit-sale contract as a seller as provided in section 203.15.~~ However, "seller"

*b.* "Seller" does not include any of the following:

~~a.~~ (1) A person licensed as a grain dealer in any jurisdiction who sells grain to a licensed grain dealer.

~~b.~~ (2) A person who sells grain that is not produced in this state unless such grain is delivered to a licensed grain dealer at a location in this state as the first point of sale.

Sec. 5. Section 203D.5, subsections 4 and 5, Code 2024, are

1 amended to read as follows:

2 4. If on the last date of the fund's assessment year as  
3 provided in [section 203D.3](#) the assets of the fund exceed ~~eight~~  
4 twelve million dollars, less any encumbered balances or pending  
5 or unsettled claims, all of the following apply:

6 a. The participation fee shall be waived and shall not be  
7 assessable or owing for the following assessment year of the  
8 fund. However, the licensee shall continue to pay any owing  
9 participation fee that was in effect on the prior September 1.

10 b. The per-bushel fee shall be waived and shall not be  
11 assessable or owing.

12 5. The board shall reinstate the fees as provided in this  
13 section if the assets of the fund, less any unencumbered  
14 balances or pending or unsettled claims, are ~~three~~ five million  
15 dollars or less.

16 Sec. 6. Section 203D.6, subsection 4, paragraph d, Code  
17 2024, is amended to read as follows:

18 d. That the claim derives from a covered transaction. For  
19 purposes of this paragraph, a claim derives from a covered  
20 transaction if the claimant is a seller who delivered the  
21 grain, and transferred title to the that grain, to a licensed  
22 grain dealer ~~other than by credit-sale contract~~ within six  
23 months of the incurrence date for a claim period as provided in  
24 subsection 2, or if the claimant is a depositor who delivered  
25 the grain to a licensed warehouse operator.

26 Sec. 7. EMERGENCY RULES. The department of agriculture  
27 and land stewardship shall adopt emergency rules under section  
28 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph  
29 "b", to implement the provisions of this division of this Act  
30 and the adopted rules shall be effective July 1, 2024. The  
31 rules adopted in accordance with this section shall also be  
32 published as a notice of intended action as provided in section  
33 17A.4.

34 Sec. 8. ASSESSMENT OF FEES. A grain dealer licensed under  
35 chapter 203 who is a party to a credit-sale contract shall

1 owe any participation fee or per-bushel fee assessed on grain  
2 purchased under the credit-sale contract beginning on September  
3 1 of the first assessment quarter pursuant to section 203D.3A.

4 Sec. 9. EFFECTIVE DATE.

5 1. Except as provided in subsection 2, this division of this  
6 Act takes effect July 1, 2024.

7 2. The section of this division of this Act requiring  
8 the department of agriculture and land stewardship to adopt  
9 emergency rules takes effect upon enactment.

10 DIVISION II

11 ASSESSMENT YEAR

12 Sec. 10. Section 203D.3, subsection 3, Code 2024, is amended  
13 to read as follows:

14 3. The assessment year of the fund ~~begins September~~ is the  
15 same as the state fiscal year beginning on July 1 and ends  
16 ending on August 31 June 30. Assessment quarters of the fund  
17 begin ~~September~~ on July 1, December October 1, March January 1,  
18 and ~~June~~ April 1. The finances of the fund shall be calculated  
19 on an accrual basis in accordance with generally accepted  
20 accounting principles.

21 Sec. 11. Section 203D.5, subsection 1, Code 2024, is amended  
22 to read as follows:

23 1. The board shall annually review the debits of and credits  
24 to the grain depositors and sellers indemnity fund created  
25 in [section 203D.3](#) and shall determine whether to impose the  
26 participation fee and per-bushel fee as provided in section  
27 203D.3A, make adjustments to the fees effective on the previous  
28 ~~September~~ July 1, or waive the fees as necessary to comply with  
29 this section. The board shall make the determination not later  
30 than May 1 of each year. The board shall impose the fees or  
31 adjust the fees effective on the previous ~~September~~ July 1 in  
32 accordance with [chapter 17A](#). The imposition or adjustment of  
33 the fees shall become effective as follows:

34 a. For the participation fee, on the following ~~September~~  
35 July 1. However, the licensee shall continue to pay the

1 participation fee at the rate in effect on the prior ~~September~~  
2 July 1, until the licensee has paid the amount owing.

3 *b.* For a per-bushel fee, on the following ~~September~~ July 1.

4 Sec. 12. Section 203D.5, subsection 4, paragraph a, Code  
5 2024, is amended to read as follows:

6 *a.* The participation fee shall be waived and shall not be  
7 assessable or owing for the following assessment year of the  
8 fund. However, the licensee shall continue to pay any owing  
9 participation fee that was in effect on the prior ~~September~~  
10 July 1.

11 Sec. 13. CONTINGENT EFFECTIVE DATE.

12 1. This division of this Act takes effect on the publication  
13 date of the issue of the Iowa administrative bulletin that  
14 includes a notice by the secretary of agriculture stating that  
15 the participation fee and per-bushel fee paid by grain dealers  
16 and warehouse operators have been waived as provided in section  
17 203D.5.

18 2. The department of agriculture and land stewardship shall  
19 send a copy of the notice to the Code editor at least two  
20 weeks prior to the publication date of the Iowa administrative  
21 bulletin as described in subsection 1.