

**House File 2596 - Reprinted**

HOUSE FILE 2596  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 745)

(As Amended and Passed by the House February 26, 2026)

**A BILL FOR**

1 An Act regulating the marketing of grain, making penalties  
2 applicable, and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I  
GRAIN DEALERS

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Section 1. Section 203.3, subsection 4, paragraph b, Code 2026, is amended to read as follows:

b. (1) The grain dealer shall submit to the department, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state.

(2) Notwithstanding subparagraph (1), if a grain dealer does not purchase grain by credit-sale contract, the department may accept any of the following:

(a) A qualification in an opinion based on an audit that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department.

(b) A financial statement that is accompanied by the report of a certified public accountant licensed in this state. The report must be based upon a review performed by the certified public accountant. The report shall be in lieu of an unqualified opinion based on an audit. However, at any time, upon good cause, the department may require the grain dealer to submit to the department a subsequent financial statement that is accompanied by the report.

(3) The department shall not require that a grain dealer to submit to the department more than one such unqualified opinion based on an audit per year.

(4) A grain dealer shall submit one or more financial statements to the department in addition to the financial statement accompanied by an unqualified opinion based on an audit as required in this paragraph if the department determines that it is necessary to verify the grain dealer's financial status or compliance with this section.

1     Sec. 2. Section 203.3, subsection 5, paragraph b, Code 2026,  
2 is amended to read as follows:

3     b. (1) The grain dealer shall submit to the department,  
4 as required by the department, a financial statement that  
5 is accompanied by an unqualified opinion based upon an audit  
6 performed by a certified public accountant licensed in this  
7 state.

8     (2) Notwithstanding subparagraph (1), the department may  
9 accept any of the following:

10     (a) A qualification in an opinion based on an audit that  
11 is unavoidable by any audit procedure that is permitted under  
12 generally accepted accounting principles. An opinion that is  
13 qualified because of a limited audit procedure or because the  
14 scope of an audit is limited shall not be accepted by the  
15 department.

16     (b) A financial statement that is accompanied by the report  
17 of a certified public accountant licensed in this state. The  
18 report must be based upon a review performed by the certified  
19 public accountant. The report shall be in lieu of an unqualified  
20 opinion based on an audit. However, at any time, upon good  
21 cause, the department may require the grain dealer to submit  
22 to the department a subsequent financial statement that is  
23 accompanied by the report.

24     (3) The department shall not require ~~that~~ a grain dealer to  
25 submit to the department more than one ~~such~~ unqualified opinion  
26 based on an audit per year.

27     (4) A grain dealer shall submit one or more financial  
28 statements to the department in addition to the financial  
29 statement accompanied by an unqualified opinion based on an audit  
30 required in this paragraph if the department determines that it  
31 is necessary to verify the grain dealer's financial status or  
32 compliance with this section.

33     Sec. 3. Section 203.8, subsection 2, paragraph a, Code 2026,  
34 is amended to read as follows:

35     a. (1) ~~"Delivery"~~ Subject to subparagraph (2), "delivery"

1 means the transfer of title to and possession of grain by a  
2 seller to a grain dealer or to another person in accordance with  
3 the terms of an agreement of by the seller and the grain dealer.

4 (2) Unless title to grain was previously transferred pursuant  
5 to an ordinary cash-sale contract, title to grain sold by  
6 credit-sale contract is deemed to have transferred to the grain  
7 dealer when all of the following occurs:

8 (a) The credit-sale contract is signed by both the grain  
9 dealer and the seller.

10 (b) The grain dealer has possession of the grain or another  
11 person has possession of the grain in accordance with the terms  
12 of the credit-sale contract.

13 Sec. 4. Section 203.12, subsection 1, Code 2026, is amended  
14 to read as follows:

15 1. Upon the cessation of a grain dealer license by  
16 revocation, cancellation, or expiration pursuant to section  
17 203.10 or upon the filing of a petition in bankruptcy by a  
18 grain dealer, any claim for the purchase price of grain against  
19 the grain dealer shall be made in writing and filed with the  
20 grain dealer and with the issuer of a deficiency bond or of  
21 an irrevocable letter of credit and with the department within  
22 one hundred twenty days after the date of the cessation or the  
23 filing of a petition in bankruptcy, whichever occurs earlier. A  
24 failure to make this timely claim relieves the issuer and the  
25 grain depositors and sellers indemnity fund provided in chapter  
26 203D of all obligations to the claimant.

27 Sec. 5. Section 203.12A, subsection 5, Code 2026, is amended  
28 to read as follows:

29 5. The Iowa grain indemnity fund board, upon written demand  
30 of the grain dealer, shall file a termination statement with the  
31 secretary of state, if after one hundred eighty days from the  
32 date that the lien is perfected the grain dealer's license has  
33 not ceased by revocation, cancellation, or expiration pursuant to  
34 section 203C.10. Upon filing the termination statement, the lien  
35 becomes unperfected. The board shall also deliver a copy of the

1 termination statement to the grain dealer.

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DIVISION II

GRAIN OPERATORS

4 Sec. 6. Section 203C.6, subsection 4, paragraph b, Code 2026,  
5 is amended to read as follows:

6 b. (1) The warehouse operator shall submit to the  
7 department, as required by the department, a financial statement  
8 that is accompanied by an unqualified opinion based upon an  
9 audit performed by a certified public accountant licensed in this  
10 state.

11 (2) Notwithstanding subparagraph (1), the department may  
12 accept any of the following:

13 (a) A qualification in an opinion based on an audit that  
14 is unavoidable by any audit procedure that is permitted under  
15 generally accepted accounting principles. An opinion that is  
16 qualified because of a limited audit procedure or because the  
17 scope of an audit is limited shall not be accepted by the  
18 department.

19 (b) A financial statement that is accompanied by the report  
20 of a certified public accountant licensed in this state. The  
21 report must be based upon a review performed by the certified  
22 public accountant. The report shall be in lieu of an unqualified  
23 opinion based on an audit. However, at any time, upon good  
24 cause, the department may require the warehouse operator to  
25 submit to the department a subsequent financial statement that is  
26 accompanied by the report.

27 (3) The department shall not require that a warehouse  
28 operator to submit to the department more than one such  
29 unqualified opinion based on an audit per year.

30 (4) A warehouse operator shall submit one or more financial  
31 statements to the department in addition to the financial  
32 statement accompanied by an unqualified opinion based on an audit  
33 as required in this paragraph if the department determines that  
34 it is necessary to verify the warehouse operator's financial  
35 status or compliance with this section.

1     Sec. 7. Section 203C.6, subsection 5, paragraph b, Code 2026,  
2 is amended to read as follows:

3     b. (1) The warehouse operator shall submit to the  
4 department, as required by the department, a financial statement  
5 that is accompanied by an unqualified opinion based upon an  
6 audit performed by a certified public accountant licensed in this  
7 state.

8     (2) Notwithstanding subparagraph (1), the department may  
9 accept any of the following:

10     (a) A qualification in an opinion based on an audit that  
11 is unavoidable by any audit procedure that is permitted under  
12 generally accepted accounting principles. An opinion that is  
13 qualified because of a limited audit procedure or because the  
14 scope of an audit is limited shall not be accepted by the  
15 department.

16     (b) A financial statement that is accompanied by the report  
17 of a certified public accountant licensed in this state. The  
18 report must be based upon a review performed by the certified  
19 public accountant. The report shall be in lieu of an unqualified  
20 opinion based on an audit. However, at any time, upon good  
21 cause, the department may require the warehouse operator to  
22 submit to the department a subsequent financial statement that is  
23 accompanied by the report.

24     (3) The department shall not require ~~that~~ a warehouse  
25 operator to submit more than one ~~such~~ unqualified opinion based  
26 on an audit per year.

27     (4) A warehouse operator shall submit one or more financial  
28 statements to the department in addition to the financial  
29 statement accompanied by an unqualified opinion based on an audit  
30 as required in this paragraph if the department determines that  
31 it is necessary to verify the warehouse operator's financial  
32 status or compliance with this section.

33     Sec. 8. Section 203C.12A, subsection 5, Code 2026, is amended  
34 to read as follows:

35     5. The Iowa grain indemnity fund board shall upon written

1 demand of the warehouse operator file a termination statement  
2 with the secretary of state, if after one hundred eighty days  
3 from the date that the lien is perfected the warehouse operator's  
4 license has not ceased by ~~revocation, cancellation, or expiration~~  
5 pursuant to section 203C.10. Upon filing the termination  
6 statement, the lien becomes unperfected. The board shall also  
7 deliver a copy of the termination statement to the warehouse  
8 operator.

9 Sec. 9. Section 203C.14, subsection 2, paragraphs a and c,  
10 Code 2026, are amended to read as follows:

11 a. Upon the cessation of a warehouse operator's license ~~due~~  
12 ~~to revocation, cancellation, or expiration~~ pursuant to section  
13 203C.10 or upon the filing of a petition in bankruptcy by  
14 a warehouse operator, a claim against the warehouse operator  
15 arising under this chapter shall be made in writing with the  
16 warehouse operator, with the issuer of a bond on agricultural  
17 products other than bulk grain, a deficiency bond, or an  
18 irrevocable letter of credit, and, if the claim relates to bulk  
19 grain, with the department. The claim must be made within one  
20 hundred twenty days after the cessation of the license or the  
21 filing of a petition in bankruptcy, whichever occurs earlier.  
22 The failure to make a timely claim relieves the issuer and, if  
23 the claim relates to bulk grain, the grain depositors and sellers  
24 indemnity fund provided in chapter 203D of all obligations to the  
25 claimant.

26 c. This subsection does not apply if a receiver is appointed  
27 as provided in this chapter pursuant to a petition ~~which~~ that is  
28 filed by the department prior to the expiration of one hundred  
29 twenty days after cessation of a warehouse operator's license  
30 pursuant to section 203C.10.

31 Sec. 10. Section 203C.18, subsection 3, Code 2026, is amended  
32 to read as follows:

33 3. A form for a warehouse receipt shall only be printed by  
34 a person approved by the department. A form for a warehouse  
35 receipt shall be printed in accordance with specifications set

1 forth by the department. A warehouse operator shall surrender to  
2 the department all forms for warehouse receipts that are unused  
3 at the time that the warehouse operator's license is suspended  
4 or ceases ~~due to revocation, cancellation, or expiration~~ pursuant  
5 to section 203C.10. The warehouse operator shall surrender the  
6 warehouse receipts in a manner required by the department.

7 DIVISION III

8 GRAIN DEPOSITORS AND SELLERS INDEMNIFICATION

9 Sec. 11. Section 203D.3A, subsection 2, Code 2026, is amended  
10 by adding the following new paragraph:

11 NEW PARAGRAPH. e. (1) If the per-bushel fee is passed on to  
12 a seller, the per-bushel fee shall occur at the time of payment.

13 (2) As used in subparagraph (1), "payment" means the same as  
14 defined in section 203.8.

15 Sec. 12. Section 203D.6, subsection 8, paragraph a, Code  
16 2026, is amended to read as follows:

17 a. Upon a determination by the board that an eligible claim  
18 satisfies the requirements in subsection 4, the board shall  
19 indemnify the claimant as a depositor under subsection 5, and a  
20 seller under subsection 6. Upon a determination by the board  
21 that an eligible repayment claim was filed by that seller under  
22 section 203D.6A ~~derives from the same covered transaction during~~  
23 ~~the claim period, and the repayment loss incurred for that claim,~~  
24 the board shall indemnify the claimant ~~as a seller~~ subject to the  
25 requirements of this section ~~and section 203D.6A~~.

26 Sec. 13. Section 203D.6A, subsection 2, Code 2026, is amended  
27 to read as follows:

28 2. To be timely, a seller must file a repayment claim with  
29 the department not later than sixty days after the amount of the  
30 seller's loss is finalized by a bankruptcy court, whether by an  
31 order issued, judgment entered, or settlement agreement approved.  
32 However, if a seller's loss is based upon a bankruptcy court's  
33 default judgment, to be timely, the seller must file a repayment  
34 claim with the department not later than sixty days after the  
35 bankruptcy court's default judgment is entered or a subsequent

1 settlement agreement is approved and entered, whichever is later.

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DIVISION IV

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EFFECTIVE DATE

4     Sec. 14. EFFECTIVE DATE. This Act, being deemed of immediate  
5 importance, takes effect upon enactment.

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