

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

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 is
5 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
13 is qualified because of a limited audit procedure or because
14 the scope of an audit is limited shall not be accepted by the
15 department.

16 (b) A financial statement that is accompanied by the
17 report of a certified public accountant licensed in this
18 state. The report must be based upon a review performed by the
19 certified public accountant. The report shall be in lieu of an
20 unqualified opinion based on an audit. However, at any time,
21 upon good cause, the department may require the grain dealer to
22 submit to the department a subsequent financial statement that
23 is 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
30 audit required in this paragraph if the department determines
31 that it is necessary to verify the grain dealer's financial
32 status or 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
3 with the terms of an agreement of by the seller and the grain
4 dealer.

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

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

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

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

16 1. Upon the cessation of a grain dealer license ~~by~~
17 ~~revocation, cancellation, or expiration~~ pursuant to section
18 203.10 or upon the filing of a petition in bankruptcy by a
19 grain dealer, any claim for the purchase price of grain against
20 the grain dealer shall be made in writing and filed with the
21 grain dealer and with the issuer of a deficiency bond or of an
22 irrevocable letter of credit and with the department within
23 one hundred twenty days after the date of the cessation or the
24 filing of a petition in bankruptcy, whichever occurs earlier.

25 A failure to make this timely claim relieves the issuer and the
26 grain depositors and sellers indemnity fund provided in chapter
27 203D of all obligations to the claimant.

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

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

1 statement, the lien becomes unperfected. The board shall
2 also deliver a copy of the termination statement to the grain
3 dealer.

4 DIVISION II

5 GRAIN OPERATORS

6 Sec. 6. Section 203C.6, subsection 4, paragraph b, Code
7 2026, is amended to read as follows:

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

13 (2) Notwithstanding subparagraph (1), the department may
14 accept any of the following:

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

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

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

32 (4) A warehouse operator shall submit one or more financial
33 statements to the department in addition to the financial
34 statement accompanied by an unqualified opinion based on
35 an audit as required in this paragraph if the department

1 determines that it is necessary to verify the warehouse
2 operator's financial status or compliance with [this section](#).

3 Sec. 7. Section 203C.6, subsection 5, paragraph b, Code
4 2026, is amended to read as follows:

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

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

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

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

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

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

35 Sec. 8. Section 203C.12A, subsection 5, Code 2026, is

1 amended to read as follows:

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

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

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

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

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

35 3. A form for a warehouse receipt shall only be printed by

1 a person approved by the department. A form for a warehouse
2 receipt shall be printed in accordance with specifications set
3 forth by the department. A warehouse operator shall surrender
4 to the department all forms for warehouse receipts that are
5 unused at the time that the warehouse operator's license
6 is suspended or ceases ~~due to revocation, cancellation, or~~
7 expiration pursuant to section 203C.10. The warehouse operator
8 shall surrender the warehouse receipts in a manner required by
9 the department.

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DIVISION III

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GRAIN DEPOSITORS AND SELLERS INDEMNIFICATION

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Sec. 11. Section 203D.3A, subsection 2, Code 2026, is

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amended by adding the following new paragraph:

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NEW PARAGRAPH. e. (1) If the per-bushel fee is passed

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on to a seller, the per-bushel fee shall occur at the time of

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payment.

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(2) As used in subparagraph (1), "*payment*" means the same as

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defined in section 203.8.

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Sec. 12. Section 203D.6, subsection 8, paragraph a, Code

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2026, is amended to read as follows:

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a. Upon a determination by the board that an eligible

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claim satisfies the requirements in [subsection 4](#), the board

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shall indemnify the claimant as a depositor under subsection

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5, and a seller under [subsection 6](#). Upon a determination by

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the board that an eligible repayment claim was filed by that

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seller under section 203D.6A ~~derives from the same covered~~

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~~transaction during the claim period, and the repayment loss~~

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~~incurred for that claim~~, the board shall indemnify the claimant

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~~as a seller~~ subject to the requirements of [this section](#) and

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~~section 203D.6A~~.

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Sec. 13. Section 203D.6A, subsection 2, Code 2026, is

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amended to read as follows:

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2. To be timely, a seller must file a repayment claim with

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the department not later than sixty days after the amount

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of the seller's loss is finalized by a bankruptcy court,

1 whether by an order issued, judgment entered, or settlement
2 agreement approved. However, if a seller's loss is based upon
3 a bankruptcy court's default judgment, to be timely, the seller
4 must file a repayment claim with the department not later than
5 sixty days after the bankruptcy court's default judgment is
6 entered or a subsequent settlement agreement is approved and
7 entered, whichever is later.

8 DIVISION IV

9 EFFECTIVE DATE

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