

HB 946 -- Grain Sale and Storage

Sponsor: Guernsey

This bill changes the laws regarding grain dealers and grain warehouses. In its main provisions, the bill:

- (1) Requires every licensed grain dealer or applicant for a grain dealer license to maintain a minimum net worth of 5% of the total amount of grain purchased in the previous fiscal year. Currently, only certain dealers or applicants are required to maintain specified minimum net worths;
- (2) Requires any licensed grain dealer or applicant to have and maintain current assets at least equal to 100% of current liabilities and specifies certain requirements regarding the determination of the amount of assets and liabilities;
- (3) Increases the minimum surety bond requirement for a licensed grain dealer from \$20,000 to \$50,000 and the maximum from \$300,000 to \$600,000;
- (4) Changes the formula for determining the amount of surety bond required by specifying that the amount must be equal to 2% of the dealer's previous year's grain purchases, instead of between 1% and 5% of the purchases;
- (5) Increases the multiplication factor for determining the net worth an owner of a licensed grain warehouse must have and maintain from 15 cents to 25 cents per bushel; and
- (6) Repeals the provision that allows a grain dealer who has purchased less than \$400,000 of grain the previous year to satisfy the bond requirement by filing bonds at the rate of \$1,000 per \$20,000 worth of grain purchased.