

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7231

BILL NUMBER: HB 1483

NOTE PREPARED: Jan 11, 2021

BILL AMENDED:

SUBJECT: Grain indemnity fund.

FIRST AUTHOR: Rep. Snow

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: Amends the definition of "failed" or "failure" under the Indiana grain buyers and warehouse licensing law (licensing law). Provides that the director of the Indiana grain buyers and warehouse licensing agency (agency) may share information with board members of the Indiana grain indemnity corporation (corporation) regarding the risk that a person licensed under the licensing law (licensee) may fail and the potential financial impact to the Indiana grain indemnity fund (fund) if the licensee does fail. Requires the director of the agency to engage a third party firm to conduct a performance review of the agency's auditing practices and procedures before October 1, 2021, and at least once every five years thereafter. Adds a definition of "conflict of interest". Requires that if the director of the agency finds a deficiency in minimum net worth before the licensee's next audit by the agency, the director shall issue a notice of deficiency to the licensee stating that the licensee has 30 days to correct the deficiency and if the licensee fails to correct a deficiency in minimum net worth within the 30 day period, the director may issue a fine. Provides that if a licensee fails to correct a deficiency in minimum net worth within 60 days of receiving a fine the director may issue a temporary suspension. Prohibits a licensee, beginning after June 30, 2021, from entering into a deferred pricing agreement or a delayed payment agreement in connection with grain purchases that extends beyond one year from the date of delivery of the grain. Provides specified phase out periods for deferred pricing agreements or delayed payment agreements that were entered into by a licensee before July 1, 2021. Provides that a board member of the corporation with a conflict of interest in a proceeding before the board is recused from the proceedings. Provides that, if a board member is found to have violated the terms of a confidentiality agreement, the board member forfeits the member's appointment to the board and shall be removed as a member of the board. Allows interest transfers from the Indiana grain indemnity fund to a professional development account.

Effective Date: Upon passage.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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