



March 31, 2021

ENGROSSED HOUSE BILL No. 1483

DIGEST OF HB 1483 (Updated March 29, 2021 12:26 pm - DI 142)

Citations Affected: IC 26-3; IC 26-4.

Synopsis: Grain indemnity fund. Adds and amends definitions under the Indiana grain buyers and warehouse licensing law (licensing law). Requires contracts to purchase grain from producers to contain a notice that deferred priced grain must be priced within the crop year. Modifies the duties of the director (director) of the Indiana grain buyers and warehouse licensing agency (agency). Specifies that the grain indemnity fund consists of fines collected by the director. Increases the maximum amount of a bond required for a license. Requires that if the director 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.
(Continued next page)

Effective: Upon passage.

Snow, Leonard, Heine, Klinker

(SENATE SPONSORS — LEISING, MISHLER, MESSMER)

January 14, 2021, read first time and referred to Committee on Agriculture and Rural Development.

February 4, 2021, amended, reported — Do Pass.

February 8, 2021, read second time, ordered engrossed. Engrossed.

February 15, 2021, read third time, passed. Yeas 92, nays 0.

SENATE ACTION

February 23, 2021, read first time and referred to Committee on Agriculture.

March 30, 2021, amended, reported favorably — Do Pass.

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Digest Continued

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. Provides that a licensee may not enter into a deferred pricing agreement after July 1, 2022, that extends beyond the crop year for the delivered grain. Provides that if a deferred pricing agreement or delayed payment agreement in connection with a grain purchase was entered into before July 1, 2021, the licensee shall complete the licensee's payment obligations to the seller under the agreement before January 1, 2024. Establishes criteria to determine the price date in the deferred pricing agreement. Provides that if a licensee fails to price grain, the director may impose a fine. Adds a definition of "conflict of interest". Provides that the attorney general may designate an attorney representative to serve on the board (board) of the Indiana grain indemnity corporation (corporation). Modifies duties of the board. 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. Requires that if a board member is suspected of violating a confidentiality agreement the matter must be referred to the office of the attorney general. Allows the corporation to: (1) study fund solvency, practices, and procedures; and (2) pay legal fees and legal expenses in actions brought against the corporation or the board of the corporation. Increases the amount from \$250,000 to \$350,000 that may be transferred to the administrative expense account (account). Adds a study of fund solvency, practices, and procedures, professional development and training programs, technology software updates and technology support services, and professional training for board members to listed administrative expenses allowed from the account.

EH 1483—LS 7231/DI 77



March 31, 2021

First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in *this style type*, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1483

A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 26-3-7-2, AS AMENDED BY P.L.145-2017,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 2. The following definitions apply throughout
4 this chapter:
5 (1) "Agency" refers to the Indiana grain buyers and warehouse
6 licensing agency established under section 1 of this chapter.
7 (2) "Anniversary date" means the date that is ninety (90) calendar
8 days after the fiscal year end of a business licensed under this
9 chapter.
10 (3) "Bin" means a bin, tank, interstice, or other container in a
11 warehouse in which bulk grain may be stored.
12 (4) "Board" means the governing body of the Indiana grain
13 indemnity corporation created by IC 26-4-3-2.
14 (5) "Buyer-warehouse" means a person that operates both as a
15 warehouse licensed under this chapter and as a grain buyer.

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- 1 (6) "Claimant" means a person to whom a licensee owes a storage
 2 or financial obligation under this chapter for grain that has been
 3 delivered to the licensee for sale or for storage under a bailment.
 4 (7) "Crop year" means the period from one (1) year's harvest
 5 to the next year for a specified field crop as follows:
 6 (A) Barley and barley seed from June 1 to May 31.
 7 (B) Canola and canola seed from July 1 to June 30.
 8 (C) Corn and corn seed from September 1 to August 31.
 9 (D) Lentils and lentil seed from July 1 to June 30.
 10 (E) Oats and oat seed from June 1 to May 31.
 11 (F) Popcorn and popcorn seed from September 1 to August
 12 31.
 13 (G) Rye and rye seed from June 1 to May 31.
 14 (H) Sorghum and sorghum seed from September 1 to
 15 August 31.
 16 (I) Soybeans and soybean seed from September 1 to August
 17 31.
 18 (J) Sunflower and sunflower seed from September 1 to
 19 August 31.
 20 (K) Wheat and wheat seed from June 1 to May 31.
 21 (L) All other field crops and other field crop seed from
 22 September 1 to August 31.
 23 (7) (8) "Daily position record" means a written or electronic
 24 document that is maintained on a daily basis for each grain
 25 commodity, contains a record of the total amount of grain in
 26 inventory for that business day, and complies with any
 27 requirements established by the director.
 28 (8) (9) "Deferred pricing" or "price later" means a purchase by a
 29 buyer in which title to the grain passes to the buyer and the price
 30 to be paid to the seller is not determined:
 31 (A) at the time the grain is received by the buyer; or
 32 (B) less than twenty-one (21) days after delivery.
 33 (9) (10) "Delayed payment" means a purchase by a buyer in which
 34 title to the grain passes to the buyer at a determined price and
 35 payment to the seller is not made in less than twenty-one (21)
 36 days after delivery.
 37 (10) (11) "Depositor" means any of the following:
 38 (A) A person that delivers grain to a licensee under this
 39 chapter for storage or sale.
 40 (B) A person that:
 41 (i) owns or is the legal holder of a ticket or receipt issued by
 42 a licensee for grain received by the licensee; and



- 1 (ii) is the creditor of the issuing licensee for the value of the
 2 grain received in return for the ticket or receipt.
- 3 (C) A licensee that stores grain that the licensee owns solely,
 4 jointly, or in common with others in a warehouse owned or
 5 controlled by the licensee or another licensee.
- 6 ~~(11)~~ **(12)** "Designated representative" means the person or
 7 persons designated by the director to act instead of the director in
 8 assisting in the administration of this chapter.
- 9 ~~(12)~~ **(13)** "Director" means the director of the Indiana grain
 10 buyers and warehouse licensing agency appointed under section
 11 1 of this chapter.
- 12 ~~(13)~~ **(14)** "Facility" means a permanent business location or one
 13 (1) of several permanent business locations in Indiana that are
 14 operated as a warehouse or by a grain buyer.
- 15 ~~(14)~~ **(15)** "Failed" or "failure" means any of the following:
 16 (A) The inability of a licensee to financially satisfy fully all
 17 obligations due to claimants.
 18 (B) Public declaration of a licensee's insolvency.
 19 (C) Revocation ~~or suspension~~ of a licensee's license, if the
 20 licensee has outstanding indebtedness owed to claimants.
 21 (D) Nonpayment of a licensee's debts in the ordinary course of
 22 business, if there is not a good faith dispute.
 23 (E) Voluntary surrender of a licensee's license, if the licensee
 24 has outstanding indebtedness to claimants.
 25 (F) Involuntary or voluntary bankruptcy of a licensee.
- 26 ~~(15)~~ **(16)** "Fund" means the Indiana grain indemnity fund
 27 established under IC 26-4-4-1.
- 28 ~~(16)~~ **(17)** "Grain" means corn for all uses, popcorn, wheat, oats,
 29 barley, rye, sorghum, soybeans, oil seeds, other agricultural
 30 commodities as approved by the agency, and seed as defined in
 31 this section. The term does not include canning crops for
 32 processing or sweet corn.
- 33 ~~(17)~~ **(18)** "Grain assets" means any of the following:
 34 (A) All grain and grain coproducts owned or stored by a
 35 licensee, including the following:
 36 (i) Grain that is in transit following shipment by a licensee.
 37 (ii) Grain that has not been paid for.
 38 (iii) Grain that is stored in unlicensed facilities that are
 39 leased, owned, or occupied by the licensee.
 40 (B) All proceeds, due or to become due, from the sale of a
 41 licensee's grain.
 42 (C) Equity, less any secured financing directly associated with



- 1 the equity, in hedging or speculative margin accounts of a
 2 licensee held by a commodity or security exchange, or a dealer
 3 representing a commodity or security exchange, and any
 4 money due the licensee from transactions on the exchange,
 5 less any secured financing directly associated with the money
 6 due the licensee from the transactions on the exchange.
- 7 (D) Any other unencumbered funds, property, or equity in
 8 funds or property, wherever located, that can be directly traced
 9 to the sale of grain by a licensee. However, funds, property, or
 10 equity in funds or property may not be considered encumbered
 11 unless:
- 12 (i) the encumbrance results from valuable consideration paid
 13 to the licensee in good faith by a secured party; and
 14 (ii) the encumbrance did not result from the licensee posting
 15 the funds, property, or equity in funds or property as
 16 additional collateral for an antecedent debt.
- 17 (E) Any other unencumbered funds, property, or equity in
 18 assets of the licensee.
- 19 ~~(18)~~ **(19)** "Grain bank grain" means grain owned by a depositor
 20 for use in the formulation of feed and stored by the warehouse to
 21 be returned to the depositor on demand.
- 22 ~~(19)~~ **(20)** "Grain buyer" means a person who is engaged in the
 23 business of buying grain from producers.
- 24 ~~(20)~~ **(21)** "Grain coproducts" means any milled or processed
 25 grain, including the grain byproduct of ethanol production.
- 26 ~~(21)~~ **(22)** "Grain standards act" means the United States Grain
 27 Standards Act, approved August 11, 1916 (39 Stat. 482; 7 U.S.C.
 28 71-87 as amended).
- 29 ~~(22)~~ **(23)** "License" means a license issued under this chapter.
- 30 ~~(23)~~ **(24)** "Licensee" means a person who operates a facility that
 31 is licensed under this chapter.
- 32 ~~(24)~~ **(25)** "Official grain standards of the United States" means the
 33 standards of quality or condition for grain, fixed and established
 34 by the secretary of agriculture under the grain standards act.
- 35 ~~(25)~~ **(26)** "Person" means an individual, partnership, corporation,
 36 association, or other form of business enterprise.
- 37 ~~(26)~~ **(27)** "Receipt" means a warehouse receipt issued by a
 38 warehouse licensed under this chapter.
- 39 ~~(27)~~ **(28)** "Seed", notwithstanding IC 15-15-1, means grain set
 40 apart to be used primarily for the purpose of producing new
 41 plants.
- 42 ~~(28)~~ **(29)** "Seed inventory" means seed for commercial sale.



- 1 **(30) "Suspension" means a temporary halt to the purchase of**
 2 **grain under section 18(b) of this chapter.**
 3 ~~(29)~~ **(31) "Ticket"** means a scale weight ticket, a load slip, or
 4 other evidence, other than a receipt, given to a depositor upon
 5 initial delivery of grain to a facility.
 6 ~~(30)~~ **(32) "Warehouse act"** means the United States Warehouse
 7 Act, approved August 11, 1916 (39 Stat. 486; 7 U.S.C. 241-273
 8 as amended).
 9 ~~(31)~~ **(33) "Warehouse"** means any building or other protected
 10 enclosure in one (1) general location licensed or required to be
 11 licensed under this chapter in which grain is or may be:
 12 (A) stored for hire;
 13 (B) used for grain bank storage; or
 14 (C) used to store company owned grain;
 15 and the building or other protected enclosure is operated under
 16 one (1) ownership and run from a single office.
 17 ~~(32)~~ **(34) "Warehouse operator"** means a person that operates a
 18 facility or group of facilities in which grain is or may be stored for
 19 hire or which is used for grain bank storage and which is operated
 20 under one (1) ownership and run from a single office.
 21 SECTION 2. IC 26-3-7-3, AS AMENDED BY P.L.145-2017,
 22 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 3. (a) The director may do the following:
 24 (1) Require any reports that are necessary to administer this
 25 chapter.
 26 (2) Administer oaths, issue subpoenas, compel the attendance and
 27 testimony of witnesses, and compel the production of records in
 28 connection with any investigation or hearing under this chapter.
 29 (3) Prescribe all forms within the provisions of this chapter.
 30 (4) Establish grain standards in accordance with the grain
 31 standards act and federal regulations promulgated under that act
 32 that must be used by warehouses.
 33 (5) Investigate the activities required by this chapter including the
 34 storage, shipping, marketing, and handling of grain and
 35 complaints with respect to the storage, shipping, marketing, and
 36 handling of grain.
 37 (6) Inspect a facility, the grain stored in a facility, and all property
 38 and records pertaining to a facility. All inspections of an applicant
 39 or licensee under this chapter must take into consideration the
 40 proprietary nature of an applicant's or licensee's commercial
 41 information. The director may adopt rules under IC 4-22-2
 42 regarding inspections permitted under this chapter, and the rules



1 must take into consideration the proprietary nature of an
 2 applicant's or a licensee's commercial information. This chapter
 3 does not authorize the inspection of an applicant's or licensee's
 4 trade secret or intellectual property information.

5 (7) Determine whether a facility for which a license has been
 6 applied for or has been issued is suitable for the proper storage,
 7 shipping, and handling of the grain that is stored, shipped, or
 8 handled, or is expected to be stored, shipped, or handled.

9 (8) Require a licensee to terminate storage, shipping, marketing,
 10 and handling agreements upon revocation of the person's license.

11 (9) Attend and preside over any investigation or hearing allowed
 12 or required under this chapter.

13 (10) Impose sanctions for violations of this article.

14 (11) Require a grain buyer and all persons purchasing grain to
 15 show evidence of training or licensing on the risks associated with
 16 grain marketing practices only if a grain buyer engages in a risk
 17 factor higher than a standard defined by the director. This training
 18 or licensing may include requiring the grain buyer or person
 19 purchasing grain to do any of the following:

20 (A) Provide the agency with proof of registry with the
 21 commodity futures trading commission (CFTC) as a
 22 commodity trading adviser, a futures commission merchant, an
 23 introducing broker, or an associated person.

24 (B) Demonstrate passage of the series 3 examination
 25 administered by the National Futures Association.

26 (C) Annually attend six (6) hours of continuing education,
 27 approved by the director, focusing on the risks to a grain buyer
 28 and seller that are associated with grain marketing practices
 29 and the communication of risks to the producer. Additionally,
 30 as part of continuing education, require a grain buyer, and all
 31 persons purchasing grain for a grain buyer, to pass a test,
 32 approved and administered by the director, that reasonably
 33 measures the grain buyer's understanding of the risks to grain
 34 buyers and sellers associated with producer marketing
 35 strategies.

36 (12) Require all contracts executed after August 31, 2017, for the
 37 purchase of grain from producers, except a flat price contract or
 38 a contract for the production of seed, to include the following
 39 notice immediately above the place on the contract where the
 40 seller of the grain must sign:

41 "NOTICE - SELLER IS CAUTIONED THAT
 42 CONTRACTING FOR THE SALE AND DELIVERY OF



- 1 GRAIN INVOLVES RISKS. THESE RISKS MAY INCLUDE
 2 FUTURE PAYMENTS BY YOU TO MAINTAIN THIS
 3 CONTRACT, A LOWER SALES PRICE, AND OTHER
 4 RISKS NOT SPECIFIED.
- 5 **INDIANA STATE LAW REQUIRES THAT AFTER**
 6 **JULY 1, 2022, ALL DEFERRED PRICED GRAIN MUST**
 7 **BE PRICED WITHIN THE CROP YEAR AS DEFINED**
 8 **BY IC 26-3-7-2(7). THIS CONTRACT MUST BE PRICED**
 9 **BY (Insert Date).**
- 10 COVERAGE UNDER THE INDIANA GRAIN INDEMNITY
 11 PROGRAM IS FOR GRAIN THAT HAS BEEN DELIVERED
 12 TO A FIRST PURCHASER LICENSEE WITHIN THE 15
 13 MONTHS BEFORE THE DATE OF FAILURE AND IS
 14 LIMITED TO 100% OF A LOSS FOR STORED GRAIN
 15 AND 80% OF A LOSS FOR OTHER COVERED
 16 CONTRACTS.
- 17 BE SURE YOU UNDERSTAND THE NATURE OF THIS
 18 CONTRACT AND THE ASSOCIATED RISKS."
- 19 (13) Require all contracts executed after January 1, 2000, for the
 20 production of seed to include the following notice, in conspicuous
 21 letters, immediately above the place on the contract or an
 22 addendum where the seller of the seed must sign:
 23 "NOTICE - IF THE TERMS OF THIS CONTRACT STATE
 24 THAT THE CONTRACTOR RETAINS OWNERSHIP OF
 25 THE SEED AND ITS PRODUCTS, YOU MAY NOT BE
 26 ELIGIBLE FOR PARTICIPATION IN THE INDIANA
 27 GRAIN INDEMNITY PROGRAM. TO BE ELIGIBLE TO
 28 PARTICIPATE IN THE INDIANA GRAIN INDEMNITY
 29 PROGRAM, FARMERS MUST OWN AND SELL GRAIN
 30 OR SEED. BE SURE YOU UNDERSTAND THE NATURE
 31 OF THIS CONTRACT AND THE ASSOCIATED RISKS."
- 32 (14) At any time, order an unannounced audit for compliance with
 33 this article.
- 34 (15) Adopt rules under IC 4-22-2 to carry out the purposes and
 35 intent of this chapter.
- 36 (16) Require all grain buyers offering deferred pricing, delayed
 37 payments, or contracts linked to the commodity futures or
 38 commodity options market in connection with a grain purchase to
 39 document the agreement in writing not more than twenty-one (21)
 40 days after delivery.
- 41 **(17) Receive and consider financial audits of a licensee**
 42 **conducted by an independent audit or accounting firm.**



1 **(18) Share information with board members regarding the**
 2 **financial status of a licensee, while the board is in executive**
 3 **session and without disclosing the name or any other**
 4 **identifying information of the licensee, including the**
 5 **following:**

6 **(A) Whether there is a risk that a licensee may fail.**

7 **(B) The financial impact to the fund if a licensee identified**
 8 **in clause (A) were to fail.**

9 **(C) The estimated number of potential claimants that**
 10 **could result from the failure of a licensee identified in**
 11 **clause (A).**

12 **(D) Any other information the director determines is**
 13 **necessary to solicit the advice of the board regarding the**
 14 **financial status of a licensee.**

15 **However, the director may not share information under this**
 16 **subdivision with a board member who has not executed a**
 17 **confidentiality agreement.**

18 **(19) Adopt rules under IC 4-22-2 regarding fines for**
 19 **violations of this chapter.**

20 (b) The director shall do the following:

21 (1) Establish standards to ensure that a grain buyer has a suitable
 22 financial position to conduct a business as a grain buyer.

23 (2) Require a person who conducts business as a grain buyer to
 24 first be licensed by the agency.

25 (3) Require any person engaged in the business of advising
 26 producers on grain marketing for hire to:

27 (A) register with the agency; and

28 (B) provide the agency with proof of registry with the
 29 commodity futures trading commission (CFTC) as a
 30 commodity trading advisor, a futures commission merchant, an
 31 introducing broker, or an associated person.

32 (c) The director may designate an employee to act for the director
 33 in the administration of this chapter. An employee designee may not:

34 (1) act in matters that require a public hearing or the temporary
 35 suspension of a license;

36 (2) adopt rules; or

37 (3) act as the ultimate authority in the administration of this
 38 chapter.

39 (d) The director may designate an administrative law judge to act for
 40 the director in the administration of this chapter.

41 (e) The director may determine whether geographically separate
 42 facilities constitute a single warehouse or grain buyer and in making



- 1 the determination may consider the following:
- 2 (1) The number of facilities involved.
- 3 (2) Whether full weighing equipment is present at the
- 4 geographically separate facilities.
- 5 (3) The method of bookkeeping employed by the separate
- 6 facilities.
- 7 (4) The hours of operation of the separate facilities.
- 8 (5) The personnel employed at the separate facilities.
- 9 (6) Other factors the director deems relevant.
- 10 (f) The director and the director's designees shall become members
- 11 of the national grain regulatory organization and shall:
- 12 (1) work in partnership with other state grain regulatory officials;
- 13 (2) participate in national grain regulatory meetings; and
- 14 (3) provide expertise and education at national meetings
- 15 **(g) The director shall engage an independent third party firm to**
- 16 **conduct a performance review of the agency's auditing practices**
- 17 **and procedures at least once every five (5) years. The agency shall**
- 18 **make reasonable efforts to implement any corrective measures**
- 19 **identified in the performance review to enhance and improve the**
- 20 **agency's auditing practices and procedures. The agency shall make**
- 21 **the findings of the performance review available to the board.**
- 22 ~~(g)~~ **(h)** The director may subpoena or require that certain records
- 23 located outside Indiana, if any, be brought to a specified location in
- 24 Indiana for review by the agency.
- 25 SECTION 3. IC 26-3-7-6.3, AS AMENDED BY P.L.2-2008,
- 26 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 27 UPON PASSAGE]: Sec. 6.3. (a) The grain buyers and warehouse
- 28 licensing agency license fee fund is established to provide funds for the
- 29 administration of this chapter. The fund shall be administered by the
- 30 agency. The fund consists of:
- 31 (1) the moisture testing device inspection fees collected under
- 32 IC 15-11-8-3;
- 33 (2) the licensing fees collected under section 6 of this chapter;
- 34 **(3) the fines collected under this chapter;**
- 35 ~~(4)~~ **(4)** gifts and bequests; and
- 36 ~~(5)~~ **(5)** appropriations made by the general assembly.
- 37 (b) Expenses of administering the fund shall be paid from money in
- 38 the fund.
- 39 (c) The treasurer of state shall invest the money in the fund not
- 40 currently needed to meet the obligations of the fund in the same
- 41 manner as other public money may be invested. Interest that accrues
- 42 from these investments shall be deposited in the fund.



1 (d) Money in the fund at the end of a state fiscal year does not revert
2 to the state general fund.

3 SECTION 4. IC 26-3-7-6.5, AS AMENDED BY P.L.145-2017,
4 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 6.5. (a) The names, locations, respective
6 counties, and license status of licensees may be disclosed.

7 (b) Unless in accordance with a judicial order, the director, the
8 agency, its counsel, auditors, or its other employees or agents shall not
9 divulge any other information disclosed by the applications or reports
10 filed or inspections performed under the provisions of this chapter.
11 However, information may be divulged to agents and employees of the
12 agency, the board, as required by subsection (d), the state board of
13 accounts or another entity retained under subsection (f), or to any other
14 legal representative of the state or federal government otherwise
15 empowered to see or review the information.

16 (c) Except as provided in subsection (d), the director may disclose
17 the information described in subsection (b) only in the form of an
18 information summary or profile, or statistical study based upon data
19 provided with respect to more than one (1) warehouse, grain buyer, or
20 buyer-warehouse that does not identify the warehouse, grain buyer, or
21 buyer-warehouse to which the information applies.

22 (d) The director shall disclose to the board, while the board is in
23 executive session, the status and inspection results of any licensee who
24 poses a significant risk of failure or who has failed to meet the
25 minimum requirements in section 4(e) or 16 of this chapter. ~~on two (2)~~
26 ~~consecutive audits~~. The director may not include any identifying
27 information regarding the licensee. The director may not disclose the
28 information to a board member who has not executed a confidentiality
29 agreement presented by the agency.

30 (e) The director shall provide the board with records of previous
31 failures to analyze the factors that have led to previous failures.

32 (f) The director may use the services of the state board of accounts
33 or retain another entity to assist the agency in investigating any audit
34 results or other factors which indicate the potential for a licensee
35 failure. The director may seek the advice and guidance of the board on
36 selecting an entity or on any other matter.

37 SECTION 5. IC 26-3-7-10, AS AMENDED BY P.L.60-2015,
38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 UPON PASSAGE]: Sec. 10. (a) The minimum amount of bond, letter
40 of credit, or cash deposit required from a licensee is as follows:

- 41 (1) For a grain bank license or a warehouse license:
42 (A) fifty thousand dollars (\$50,000); and



- 1 (B) ten cents (\$0.10) multiplied by the licensed bushel storage
 2 capacity of the grain bank or warehouse.
- 3 (2) For a grain buyer, including a grain buyer that is also a
 4 licensee under the warehouse act:
- 5 (A) fifty thousand dollars (\$50,000); or
 6 (B) five-tenths percent (0.5%) of the total amount the grain
 7 buyer paid for grain purchased from producers during the
 8 grain buyer's most recent fiscal year;
 9 whichever is greater.
- 10 (3) For a buyer-warehouse:
- 11 (A) an amount equal to the sum of:
 12 (i) fifty thousand dollars (\$50,000); and
 13 (ii) ten cents (\$0.10) multiplied by the licensed bushel
 14 storage capacity of the buyer-warehouse's facility; or
 15 (B) five-tenths percent (0.5%) of the total amount the
 16 buyer-warehouse paid for grain purchased from producers
 17 during the buyer-warehouse's most recent fiscal year;
 18 whichever is greater.
- 19 (b) Except as provided in subsections (g) and (h), the amount of
 20 bond, letter of credit, or cash deposit required by this chapter may not
 21 exceed ~~two hundred fifty thousand dollars (\$250,000)~~ **three hundred**
 22 **twenty-five thousand dollars (\$325,000)** per license and may not
 23 exceed a total of one million ~~dollars (\$1,000,000)~~ **two hundred fifty**
 24 **thousand dollars (\$1,250,000)** per person.
- 25 (c) The licensed bushel storage capacity is the maximum number of
 26 bushels of grain that the licensee's facility could accommodate as
 27 determined by the director or the director's designated representative
 28 and shall be increased or reduced in accordance with the amount of
 29 space being used for storage from time to time.
- 30 (d) Instead of a bond or cash deposit, an irrevocable letter of credit
 31 in the prescribed amount may be provided with the director as the
 32 beneficiary. The director shall adopt rules under IC 4-22-2 to establish
 33 acceptable form, substance, terms, and conditions for letters of credit.
 34 The director may not release a party from the obligations of the letter
 35 of credit within eighteen (18) months of the termination of the
 36 licensee's license.
- 37 (e) The director shall adopt rules under IC 4-22-2 to provide for the
 38 receipt and retention of cash deposits. However, the director shall not
 39 return a cash deposit to a licensee until the director has taken
 40 reasonable precautions to assure that the licensee's obligations and
 41 liabilities have been or will be met.
- 42 (f) If a person is licensed or is applying for licenses to operate two



1 (2) or more facilities in Indiana, the person may give a single bond,
2 letter of credit, or cash deposit to satisfy the requirements of this
3 chapter and the rules adopted under this chapter to cover all the
4 person's facilities in Indiana.

5 (g) If a licensee has a deficiency in the minimum positive net worth
6 required under section 16(a)(2)(B), 16(a)(3)(B), 16(a)(4)(B), or
7 16(a)(5)(B) of this chapter, the licensee shall add to the amount of
8 bond, letter of credit, or cash deposit determined under subsection (a)
9 an amount equal to the deficiency or provide another form of surety as
10 permitted under the rules of the agency.

11 (h) Except as provided in subsections (i) and (j), a licensee may not
12 correct a deficiency in the minimum positive net worth required by
13 section 16(a)(1), 16(a)(2)(A), 16(a)(3)(A), 16(a)(4)(A), or 16(a)(5)(A)
14 of this chapter by adding to the amount of bond, letter of credit, or cash
15 deposit required by subsection (a).

16 (i) A buyer-warehouse that has a bushel storage capacity of less than
17 one million (1,000,000) bushels or purchases less than one million
18 (1,000,000) bushels of grain per year may correct a deficiency in
19 minimum positive net worth by adding to the amount of bond, letter of
20 credit, or cash deposit determined under subsection (a) if the
21 buyer-warehouse has a minimum positive net worth of at least fifty
22 thousand dollars (\$50,000), not including the amount added to the
23 bond, letter of credit, or cash deposit.

24 (j) A buyer-warehouse that has a bushel storage capacity of at least
25 one million (1,000,000) bushels, or purchases at least one million
26 (1,000,000) bushels of grain per year, may correct a deficiency in
27 minimum positive net worth by adding to the amount of bond, letter of
28 credit, or cash deposit determined under subsection (a) if the
29 buyer-warehouse has a minimum positive net worth of at least one
30 hundred thousand dollars (\$100,000), not including the amount added
31 to the bond, letter of credit, or cash deposit.

32 (k) If the director or the director's designated representative finds
33 that conditions exist that warrant requiring additional bond or cash
34 deposit, there shall be added to the amount of bond or cash deposit as
35 determined under the other provisions of this section, a further amount
36 to meet the conditions.

37 **(l) If the director or the director's designated representative**
38 **finds a deficiency in minimum net worth before the licensee's next**
39 **audit by the agency, the director shall issue a notice of deficiency**
40 **to the licensee stating that the licensee has thirty (30) days to**
41 **correct the deficiency. If a licensee fails to correct a deficiency in**
42 **minimum net worth within the thirty (30) day period, the director**



1 may issue a fine of not more than one thousand dollars (\$1,000).

2 (m) If a licensee fails to correct a deficiency in minimum net
3 worth within sixty (60) days of receiving a fine under subsection (l),
4 the director may issue a temporary suspension of not more than
5 thirty (30) days. The director or the director's designated
6 representative shall grant an opportunity for a hearing as soon as
7 possible following a temporary suspension under this subsection.

8 (n) The director may accept, instead of a single cash deposit,
9 letter of credit, or bond, a deposit consisting of any combination of cash
10 deposits, letters of credit, or bonds in an amount equal to the licensee's
11 obligation under this chapter. The director shall adopt rules under
12 IC 4-22-2 to establish standards for determining the order in which the
13 forms of security on deposit must be used to pay proven claims if the
14 licensee defaults.

15 (o) The director may require additional bonding that the director
16 considers necessary.

17 SECTION 6. IC 26-3-7-26.5 IS ADDED TO THE INDIANA CODE
18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
19 UPON PASSAGE]: **Sec. 26.5. (a) Beginning after July 1, 2022, a
20 licensee may not:**

21 (1) enter into a deferred pricing agreement in connection with
22 grain purchases that extends beyond the crop year for the
23 delivered grain; or

24 (2) transfer the deferred pricing agreement to a new contract
25 beyond the crop year for the delivered grain.

26 (b) If the deferred pricing agreement in connection with a grain
27 purchase was entered into before July 1, 2021, the licensee shall
28 complete the licensee's payment obligations to the seller under the
29 agreement before January 1, 2024. The determined price date of a
30 deferred pricing agreement shall be:

31 (1) the determined price date set forth in the deferred pricing
32 agreement, if that date occurs before January 1, 2024;

33 (2) if subdivision (1) does not apply, a determined price date
34 that is mutually agreed to by the licensee and the seller; or

35 (3) if subdivisions (1) and (2) do not apply, the date on which
36 the licensee completes the licensee's payment obligations to
37 the seller.

38 (c) If the director or director's designated representative
39 determines that the licensee has not complied with this section, the
40 director shall issue a notice stating that the licensee has thirty (30)
41 days to price grain for the initial deferred pricing agreement.

42 (d) If a licensee fails to price grain within thirty (30) days of the



1 notice in subsection (c), the director may impose a fine on the
 2 licensee of not more than one thousand dollars (\$1,000). Fines
 3 collected under this section must be deposited in the grain buyers
 4 and warehouse licensing agency license fee fund established by
 5 section 6.3 of this chapter.

6 (e) Notwithstanding section 17.1 of this chapter, if a licensee
 7 fails to price grain within sixty (60) days of the date of the notice in
 8 subsection (c), the director may impose a fine on the licensee of not
 9 more than two thousand five hundred dollars (\$2,500) per month
 10 until the licensee is in compliance with this section.

11 SECTION 7. IC 26-4-1-5.5 IS ADDED TO THE INDIANA CODE
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 5.5. "Conflict of interest" means having or
 14 representing a person who has a direct or indirect financial interest
 15 in a licensee.

16 SECTION 8. IC 26-4-1-13, AS AMENDED BY P.L.145-2017,
 17 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 13. "Grain" means corn for all uses, popcorn,
 19 wheat, oats, rye, soybeans, barley, sorghum, oil seeds, other agricultural
 20 commodities as approved by the agency, and seed (as defined in
 21 ~~IC 26-3-7-2(27)~~; **IC 26-3-7-2(28)**). The term does not include canning
 22 crops for processing or sweet corn.

23 SECTION 9. IC 26-4-1-15.5, AS ADDED BY P.L.145-2017,
 24 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 UPON PASSAGE]: Sec. 15.5. "Licensee" has the meaning set forth in
 26 ~~IC 26-3-7-2(23)~~; **IC 26-3-7-2(24)**.

27 SECTION 10. IC 26-4-3-2, AS AMENDED BY P.L.5-2009,
 28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: Sec. 2. (a) The corporation's board is created. The
 30 governing powers of the corporation are vested in the board, which is
 31 composed of thirteen (13) members as described in subsections (b) and
 32 (c).

33 (b) The board consists of the following ten (10) voting members:

34 (1) Two (2) members appointed by the largest Indiana
 35 organization representing the interests of grain and feed dealers
 36 in Indiana.

37 (2) Two (2) members appointed by the largest Indiana
 38 organization representing general farm interests in Indiana.

39 (3) One (1) member appointed by the second largest Indiana
 40 organization representing general farm interests in Indiana.

41 (4) One (1) member appointed by the largest Indiana organization
 42 exclusively representing the interests of corn producers.



- 1 (5) One (1) member appointed by the largest Indiana organization
- 2 exclusively representing the interests of soybean producers in
- 3 Indiana.
- 4 (6) Two (2) members appointed by the largest Indiana
- 5 organization representing the interests of bankers in Indiana.
- 6 (7) One (1) member appointed by the largest Indiana organization
- 7 representing the interests of the seed trade in Indiana.
- 8 The members appointed under subdivisions (2) through (5) must be
- 9 producers.
- 10 (c) The board consists of the following three (3) nonvoting
- 11 members:
- 12 (1) The attorney general.
- 13 (2) The treasurer of state.
- 14 (3) The director of the agency, who shall serve as the chairperson.
- 15 (d) The:
- 16 (1) attorney general **may designate a licensed attorney**
- 17 **representative;** and
- 18 (2) treasurer of state may ~~each~~ designate a representative;
- 19 to serve on the board.
- 20 SECTION 11. IC 26-4-3-7 IS AMENDED TO READ AS
- 21 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The board shall
- 22 do the following:
- 23 (1) Adopt rules, create forms, and establish guidelines to
- 24 implement this article.
- 25 (2) Collect and deposit all producer premiums authorized under
- 26 IC 26-4-4-4 into the fund for investment by the board.
- 27 (3) **Require reports from the agency regarding the financial**
- 28 **status of a licensee, while the board is in executive session and**
- 29 **without disclosing the name or any other identifying**
- 30 **information of the licensee, including the following:**
- 31 (A) **Whether there is a risk that a licensee may fail.**
- 32 (B) **The financial impact to the fund if a licensee identified**
- 33 **in clause (A) were to fail.**
- 34 (C) **The estimated number of potential claimants that**
- 35 **could result from the failure of a licensee identified in**
- 36 **clause (A).**
- 37 (D) **Any other information the director determines is**
- 38 **necessary to solicit the advice of the board regarding the**
- 39 **financial status of a licensee.**
- 40 **However, the director may not share information under this**
- 41 **subdivision with a board member who has not executed a**
- 42 **confidentiality agreement.**



- 1 ~~(3)~~ **(4)** Initiate any action it may consider necessary to compel the
- 2 grain buyer against whom an awarded claim arose to repay to the
- 3 fund the sums that are disbursed from the fund in relation to each
- 4 claim.
- 5 ~~(4)~~ **(5)** Initiate any action it may consider necessary to compel the
- 6 claimant whose claim arose due to a failure to participate in any
- 7 legal proceeding in relation to the claim.
- 8 ~~(5)~~ **(6)** Within five (5) business days of receiving notice of failure
- 9 of a grain buyer, publish notice of the failure in a manner
- 10 described in IC 5-3.

11 SECTION 12. IC 26-4-3-8.5 IS ADDED TO THE INDIANA CODE
 12 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: **Sec. 8.5. If a board member reasonably believes**
 14 **that a conflict of interest exists with respect to the exercise of the**
 15 **board member's official duties in a particular case, the board**
 16 **member:**

- 17 **(1) shall disclose that a conflict of interest exists to the board**
- 18 **and the agency; and**
- 19 **(2) is recused from the proceeding.**

20 SECTION 13. IC 26-4-3-8.7 IS ADDED TO THE INDIANA CODE
 21 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: **Sec. 8.7. (a) If a board member is found to have**
 23 **violated the terms of a confidentiality agreement entered into**
 24 **under this chapter, the board member forfeits the member's**
 25 **appointment to the board and shall be removed as a member of the**
 26 **board.**

27 **(b) If a board member is suspected of violating the terms of the**
 28 **confidentiality agreement, the matter must be referred to the office**
 29 **of the attorney general for an evaluation and determination.**

30 SECTION 14. IC 26-4-3-9 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The
 32 corporation may do or shall have any of the following:

- 33 (1) Perpetual succession by its corporate name as a corporate
- 34 body.
- 35 (2) Adopt and make use of an official seal and alter the same at
- 36 pleasure.
- 37 (3) Adopt, amend, and repeal bylaws consistent with the
- 38 provisions of this article for the regulation and conduct of the
- 39 corporation's affairs and prescribe rules and policies in connection
- 40 with the performance of the corporation's functions and duties.
- 41 (4) Use the services of the agency and the attorney general when
- 42 considered necessary in the execution of the duties of the board.



- 1 (5) Accept gifts, devises, bequests, grants, loans, appropriations,
 2 revenue sharing, other financing and assistance, and any other aid
 3 from any source and agree to and comply with any attached
 4 conditions.
- 5 (6) Procure insurance against any loss in connection with its
 6 operations in the amounts and from the insurers as it considers
 7 necessary or desirable.
- 8 (7) Borrow money from a bank, an insurance company, an
 9 investment company, or any other person. The corporation may
 10 negotiate the terms of a loan contract. The contract must provide
 11 for repayment of the money in not more than forty (40) years and
 12 that the loan may be prepaid. The loan contract must plainly state
 13 that it is not an indebtedness of the state but constitutes a
 14 corporate obligation solely of the corporation and is payable
 15 solely from revenues of the corporation or any appropriations
 16 from the state that might be made to the corporation for that
 17 purpose.
- 18 (8) Include in any borrowing amounts considered necessary by the
 19 corporation to pay financing charges, interest on the obligations,
 20 consultant, advisory, and legal fees, and other expenses necessary
 21 or incident to such borrowing.
- 22 (9) Employ personnel as may be required in the judgment of the
 23 corporation, and fix and pay compensation from money available
 24 to the corporation from the administrative expenses account.
- 25 (10) Make, execute, and carry out any and all contracts,
 26 agreements, or other documents with any governmental agency or
 27 any person, corporation, limited liability company, association,
 28 partnership, or other organization or entity necessary or
 29 convenient to accomplish the purposes of this article.
- 30 (11) Upon the request of the director of the agency and the
 31 approval of the board, make payment from the fund when the
 32 payment is necessary for the purpose of compensating claimants
 33 in accordance with the provisions of IC 26-4-6.
- 34 (12) Have powers necessary or appropriate for the exercise of the
 35 powers specifically conferred upon the corporation and all
 36 incidental powers customary in corporations.
- 37 **(13) May require a study of fund solvency, practices, and**
 38 **procedures from a third party of the fund as needed.**
- 39 **(14) Pay legal fees and legal expenses in actions brought**
 40 **against the corporation or board.**
- 41 (b) The corporation or the board may use the services of a person
 42 other than the attorney general to collect money owed to the fund or to



- 1 litigate claims concerning money owed to the fund.
- 2 SECTION 15. IC 26-4-4-2, AS AMENDED BY P.L.145-2017,
3 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 2. (a) The administrative expense account is
5 created within the fund.
- 6 (b) The expenses of administering the fund and paying
7 administrative expenses must be paid from money in the administrative
8 expense account.
- 9 (c) The board may transfer annually not more than ~~two~~ **three**
10 hundred fifty thousand dollars (~~\$250,000~~) (**\$350,000**) from the fund to
11 the administrative expense account.
- 12 (d) Administrative expenses under this section may include:
- 13 (1) processing refunds;
 - 14 (2) enforcement of the fund;
 - 15 (3) record keeping in relation to the fund;
 - 16 (4) the ordinary management and investment fees connected with
17 the operation of the fund;
 - 18 ~~(5) legal fees and legal expenses in actions brought against the~~
19 ~~corporation or board and that have been approved by the board;~~
20 ~~and~~
 - 21 **(5) a study of fund solvency, practices, and procedures;**
 - 22 **(6) a performance review of the agency's auditing practices**
23 **and procedures;**
 - 24 **(7) professional development and training programs for**
25 **agency staff that are closely relevant to the auditing, licensing,**
26 **and other regulatory functions of the agency;**
 - 27 **(8) technology software updates and technology support**
28 **services that are closely relevant to the auditing, licensing,**
29 **and other regulatory functions of the agency;**
 - 30 **(9) professional training for board members on the board**
31 **members' duties and responsibilities; and**
 - 32 ~~(6)~~ **(10) the use of supplemental consulting services.**
- 33 (e) The agency may not use money in the administrative expense
34 account for expenses other than the expenses described in subsection
35 (d).
- 36 SECTION 16. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1483, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, between lines 22 and 23, begin a new line block indented and insert:

"(29) "Suspension" means a temporary halt to the purchase of grain from a claimant."

Page 4, line 23, strike "(29)" and insert "**(30)**".

Page 4, line 26, strike "(30)" and insert "**(31)**".

Page 4, line 29, strike "(31)" and insert "**(32)**".

Page 4, line 37, strike "(32)" and insert "**(33)**".

Page 8, line 25, delete "before October 1, 2021, and".

Page 8, line 26, delete "thereafter." and insert ". **The agency shall make reasonable efforts to implement any corrective measures identified in the performance review to enhance and improve the agency's auditing practices and procedures. The agency shall make the findings of the performance review available to the board.**"

Page 8, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 3. IC 26-3-7-6.3, AS AMENDED BY P.L.2-2008, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.3. (a) The grain buyers and warehouse licensing agency license fee fund is established to provide funds for the administration of this chapter. The fund shall be administered by the agency. The fund consists of:

(1) the moisture testing device inspection fees collected under IC 15-11-8-3;

(2) the licensing fees collected under section 6 of this chapter;

(3) the fines collected under this chapter;

~~(4)~~ **(4)** gifts and bequests; and

~~(5)~~ **(5)** appropriations made by the general assembly.

(b) Expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund."

Page 12, line 3, delete "shall not" and insert "**may not**:"



(1)".

Page 12, line 6, delete "grain." and insert "**grain; or**

(2) transfer the deferred pricing agreement or delayed payment agreement to a new contract beyond one (1) year from the date of delivery of grain."

Page 13, between lines 27 and 28, begin a new paragraph and insert:

"(c) If the director or director's designated representative determines that the licensee has not complied with this section, the director shall issue a notice stating that the licensee has thirty (30) days to issue payment for the initial deferred pricing agreement or delayed payment agreement.

(d) If a licensee fails to issue payment within thirty (30) days of the notice in subsection (c), the director may impose a fine on the licensee of not more than one thousand dollars (\$1,000). Fines collected under this section must be deposited in the grain buyers and warehouse licensing agency license fee fund established by section 6.3 of this chapter.

(e) Notwithstanding section 17.1 of this chapter, if a licensee fails to issue payment within sixty (60) days of the date of the notice in subsection (c), the director may issue a temporary suspension of the licensee for not more than thirty (30) days."

Page 16, line 17, strike "two" and insert "**three**".

Page 16, line 18, strike "\$250,000" and insert "**(\$350,000)**".

Page 16, line 29, delete "and".

Page 16, between lines 29 and 30, begin a new line block indented and insert:

"(7) a performance review of the agency's auditing practices and procedures; and"

Page 16, line 30, delete "(7)" and insert "**(8)**".

Page 17, line 1, after "for" insert ":

(1)".

Page 17, line 1, after "programs" insert "**; and**

(2) technology software updates and technology support services;"

Page 17, line 1, beginning with "that" begin a new line blocked left. Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1483 as introduced.)

LEHE



Committee Vote: yeas 11, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Agriculture, to which was referred House Bill No. 1483, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 3 and 4, begin a new line block indented and insert:

"(7) "Crop year" means the period from one (1) year's harvest to the next year for a specified field crop as follows:

- (A) Barley and barley seed from June 1 to May 31.**
- (B) Canola and canola seed from July 1 to June 30.**
- (C) Corn and corn seed from September 1 to August 31.**
- (D) Lentils and lentil seed from July 1 to June 30.**
- (E) Oats and oat seed from June 1 to May 31.**
- (F) Popcorn and popcorn seed from September 1 to August 31.**
- (G) Rye and rye seed from June 1 to May 31.**
- (H) Sorghum and sorghum seed from September 1 to August 31.**
- (I) Soybeans and soybean seed from September 1 to August 31.**
- (J) Sunflower and sunflower seed from September 1 to August 31.**
- (K) Wheat and wheat seed from June 1 to May 31.**
- (L) All other field crops and other field crop seed from September 1 to August 31."**

Page 2, line 4, strike "(7)" and insert "(8)".

Page 2, line 9, strike "(8)" and insert "(9)".

Page 2, line 14, strike "(9)" and insert "(10)".

Page 2, line 18, strike "(10)" and insert "(11)".

Page 2, line 29, strike "(11)" and insert "(12)".

Page 2, line 32, strike "(12)" and insert "(13)".

Page 2, line 35, strike "(13)" and insert "(14)".

Page 2, line 38, strike "(14)" and insert "(15)".

Page 3, line 7, strike "(15)" and insert "(16)".

Page 3, line 9, strike "(16)" and insert "(17)".

Page 3, line 14, strike "(17)" and insert "(18)".



Page 3, line 42, strike "(18)" and insert "(19)".

Page 4, line 3, strike "(19)" and insert "(20)".

Page 4, line 5, strike "(20)" and insert "(21)".

Page 4, line 7, strike "(21)" and insert "(22)".

Page 4, line 10, strike "(22)" and insert "(23)".

Page 4, line 11, strike "(23)" and insert "(24)".

Page 4, line 13, strike "(24)" and insert "(25)".

Page 4, line 16, strike "(25)" and insert "(26)".

Page 4, line 18, strike "(26)" and insert "(27)".

Page 4, line 20, strike "(27)" and insert "(28)".

Page 4, line 22, strike "(28)" and insert "(29)".

Page 4, line 23, delete "(29)" and insert "(30)".

Page 4, line 24, delete "from a claimant." and insert "**under section 18(b) of this chapter.**".

Page 4, line 25, delete "(30)" and insert "(31)".

Page 4, line 28, delete "(31)" and insert "(32)".

Page 4, line 31, delete "(32)" and insert "(33)".

Page 4, line 39, delete "(33)" and insert "(34)".

Page 6, between lines 26 and 27, begin a new line double block indented and insert:

"INDIANA STATE LAW REQUIRES THAT AFTER JULY 1, 2022, ALL DEFERRED PRICED GRAIN MUST BE PRICED WITHIN THE CROP YEAR AS DEFINED BY IC 26-3-7-2(7). THIS CONTRACT MUST BE PRICED BY_(Insert Date)."

Page 7, between lines 15 and 16, begin a new line block indented and insert:

"(17) Receive and consider financial audits of a licensee conducted by an independent audit or accounting firm."

Page 7, line 16, delete "(17)" and insert "(18)".

Page 7, line 17, after "licensee," insert "**while the board is in executive session and without disclosing the name or any other identifying information of the licensee,**".

Page 7, between lines 29 and 30, begin a new line block indented and insert:

"(19) Adopt rules under IC 4-22-2 regarding fines for violations of this chapter."

Page 10, line 31, strike "two hundred fifty thousand dollars (\$250,000)" and insert "**three hundred twenty-five thousand dollars (\$325,000)**".

Page 10, line 32, strike "dollars (\$1,000,000)" and insert "**two hundred fifty thousand dollars (\$1,250,000)**".



Page 12, line 27, delete "June 30, 2021" and insert "**July 1, 2022**".

Page 12, line 29, delete "or a delayed".

Page 12, line 30, delete "payment agreement".

Page 12, line 31, delete "one (1) year from the date of delivery of the" and insert "**the crop year for the delivered grain; or**".

Page 12, delete line 32.

Page 12, line 33, delete "or delayed".

Page 12, line 34, delete "payment agreement".

Page 12, line 34, delete "one (1) year" and insert "**the crop year for the delivered grain.**".

Page 12, delete lines 35 through 42, begin a new paragraph and insert:

"(b) If the deferred pricing agreement in connection with a grain purchase was entered into before July 1, 2021, the licensee shall complete the licensee's payment obligations to the seller under the agreement before January 1, 2024. The determined price date of a deferred pricing agreement shall be:

(1) the determined price date set forth in the deferred pricing agreement, if that date occurs before January 1, 2024;

(2) if subdivision (1) does not apply, a determined price date that is mutually agreed to by the licensee and the seller; or

(3) if subdivisions (1) and (2) do not apply, the date on which the licensee completes the licensee's payment obligations to the seller."

Delete page 13.

Page 14, delete lines 1 through 14.

Page 14, line 18, delete "issue payment" and insert "**price grain**".

Page 14, line 18, delete "or" and insert ".".

Page 14, delete line 19.

Page 14, line 20, delete "issue payment" and insert "**price grain**".

Page 14, line 27, delete "issue payment" and insert "**price grain**".

Page 14, line 28, delete "issue a temporary suspension of" and insert "**impose a fine on the licensee of not more than two thousand five hundred dollars (\$2,500) per month until the licensee is in compliance with this section.**".

Page 14, delete line 29.

Page 14, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 5. IC 26-4-1-13, AS AMENDED BY P.L.145-2017, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. "Grain" means corn for all uses, popcorn, wheat, oats, rye, soybeans, barley, sorghum, oil seeds, other agricultural commodities as approved by the agency, and seed (as defined in



~~IC 26-3-7-2(27)~~; **IC 26-3-7-2(28)**). The term does not include canning crops for processing or sweet corn.

SECTION 6. IC 26-4-1-15.5, AS ADDED BY P.L.145-2017, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.5. "Licensee" has the meaning set forth in ~~IC 26-3-7-2(23)~~; **IC 26-3-7-2(24)**.

SECTION 7. IC 26-4-3-2, AS AMENDED BY P.L.5-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The corporation's board is created. The governing powers of the corporation are vested in the board, which is composed of thirteen (13) members as described in subsections (b) and (c).

- (b) The board consists of the following ten (10) voting members:
- (1) Two (2) members appointed by the largest Indiana organization representing the interests of grain and feed dealers in Indiana.
 - (2) Two (2) members appointed by the largest Indiana organization representing general farm interests in Indiana.
 - (3) One (1) member appointed by the second largest Indiana organization representing general farm interests in Indiana.
 - (4) One (1) member appointed by the largest Indiana organization exclusively representing the interests of corn producers.
 - (5) One (1) member appointed by the largest Indiana organization exclusively representing the interests of soybean producers in Indiana.
 - (6) Two (2) members appointed by the largest Indiana organization representing the interests of bankers in Indiana.
 - (7) One (1) member appointed by the largest Indiana organization representing the interests of the seed trade in Indiana.

The members appointed under subdivisions (2) through (5) must be producers.

(c) The board consists of the following three (3) nonvoting members:

- (1) The attorney general.
- (2) The treasurer of state.
- (3) The director of the agency, who shall serve as the chairperson.

(d) The:

- (1) attorney general **may designate a licensed attorney representative;** and
- (2) treasurer of state may **each** designate a representative;

to serve on the board."

Page 14, line 42, delete "written".



Page 15, line 1, after "licensee," insert **"while the board is in executive session and without disclosing the name or any other identifying information of the licensee,"**.

Page 15, line 26, after "member" insert **"reasonably"**.

Page 15, line 28, delete "or if the board".

Page 15, line 29, delete "member has knowledge about the financial status of a licensee,".

Page 15, line 36, after "8.7." insert **"(a)"**.

Page 15, between lines 40 and 41, begin a new paragraph and insert:

"(b) If a board member is suspected of violating the terms of the confidentiality agreement, the matter must be referred to the office of the attorney general for an evaluation and determination."

Page 17, line 6, delete "Require an actuarial study" and insert **"May require a study of fund solvency, practices, and procedures"**.

Page 17, line 7, delete "However, the corporation must have an actuarial".

Page 17, delete line 8, begin a new line block indented and insert:

"(14) Pay legal fees and legal expenses in actions brought against the corporation or board."

Page 17, strike lines 28 through 29.

Page 17, line 31, delete "(6) an actuarial study of the fund;" and insert **"(5) a study of fund solvency, practices, and procedures;"**.

Page 17, line 32, delete "(7)" and insert **"(6)"**.

Page 17, line 33, after "procedures;" delete "and".

Page 17, between lines 33 and 34, begin a new line block indented and insert:

"(7) professional development and training programs for agency staff that are closely relevant to the auditing, licensing, and other regulatory functions of the agency;

(8) technology software updates and technology support services that are closely relevant to the auditing, licensing, and other regulatory functions of the agency;

(9) professional training for board members on the board members' duties and responsibilities; and"

Page 17, line 34, delete "(8)" and insert **"(10)"**.

Page 17, delete lines 38 through 42.

Page 18, delete lines 1 through 10.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1483 as printed February 4, 2021.)

EH 1483—LS 7231/DI 77



LEISING, Chairperson

Committee Vote: Yeas 8, Nays 0.

