
DIGEST

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HB 496 Original

2020 Regular Session

Riser

Abstract: Adds the definition and notice requirements for noncommercial grain buyers and unlicensed grain dealers to the agricultural (ag) commodity and warehouse law. Allocates year end balances in the Grain and Cotton Indemnity Fund to the La. Ag Finance Authority, changes balance triggers for the suspension and resumption of collections to the fund, and clarifies claims made under it.

Present law provides for a list of definitions under the ag commodity and warehouse law.

Proposed law retains present law and adds the term "noncommercial grain buyer" to the list of definitions and changes the term "grain dealer" to not include noncommercial grain buyers.

Present law authorizes the commissioner of agriculture to enter the premises of grain dealers, among other entities, licensed under this Chapter of law for the purposes of examining and inspecting the premises and contents to include various financial records and documents.

Proposed law modifies present law by removing the official term "grain dealer" to add any person purchasing grain from La. producers.

Present law provides that no person or business buying or selling ag commodities from producers may do so without a license.

Proposed law creates an exception to present law by exempting those that qualify as a noncommercial grain buyer.

Proposed law requires persons not licensed as a grain dealer to post notification that they are not licensed on their premises and any purchase documents and prevents producers from making a claim under the Grain and Cotton Indemnity Fund for any transactions made with an unlicensed person or business.

Present law requires that all monies in the Grain and Cotton Indemnity Fund not spent or encumbered at the end of the fiscal year to remain in the fund.

Proposed law requires transfer of these monies to the La. Ag Finance Authority at the end of the fiscal year instead of remaining in the Grain and Cotton Indemnity Fund.

Present law requires assessments made under the Grain and Cotton Indemnity Fund not apply to

grain or cotton purchased or contracted prior to Aug. 15, 2008.

Proposed law repeals present law.

Present law requires the La. Ag Commodities Commission at the end of the calendar quarter to suspend collections of the assessments under the Grain and Cotton Indemnity Fund when the fund reaches a level of \$6 million and to resume collection when the balance in the fund is less than \$3 million.

Proposed law provides for a comprehensive revision to present law provisions, including the following major changes:

- (1) Changes time period from end of the calendar quarter to beginning July 1st following the fiscal year.
- (2) Changes reference to fund balance from the Grain and Cotton Indemnity Fund to the La. Ag Finance Authority.
- (3) Changes balance triggers for suspension of collection from \$6 million to \$12 million and for resumption of collection from \$3 million to \$10 million.
- (4) Adds a requirement that any assessments collected after the balance reaches \$12 million, but prior to suspension, remain within the La. Ag Finance Authority.

Present law requires that a producer is eligible to receive indemnity payments if a licensed dealer becomes insolvent after Jan. 1, 2008.

Proposed law modifies present law by removing the reference to Jan. 1, 2008.

Present law requires the La. Ag Commodities Commission to make all claim payments using Grain and Cotton Indemnity Funds to both the person making the claim and all parties holding a security interest or lien perfected by a filed financing statement at least 10 days prior to the payment.

Proposed law modifies present law by changing the reference to the Grain and Cotton Indemnity Fund to claims in accordance with this Section of law, and changes the time period in which parties holding a security interest or lien from 10 days prior to payment to based on the most recent master listing of farm products within the central registry provided for in present law, or addendum to, published by the secretary of state.

(Amends R.S. 3:3402(10) and (12) through (19), 3406(A)(1) and (2), 3410.1(A), and 3412.1(C)(1) and (2), (E), (F)(1), and (I); Adds R.S. 3:3402(20) and 3410.1(G); Repeals R.S. 3:3412.1(C)(4))