

## RÉSUMÉ DIGEST

ACT 151 (HB 496)

2020 Regular Session

Riser

Existing law provides a list of definitions under the agriculture (ag) commodity and warehouse law.

New law adds the term "noncommercial grain buyer" to the list of definitions and changes the definition of the term "grain dealer" to not include noncommercial grain buyers.

Prior law authorized the commissioner of agriculture to enter the premises of licensed grain dealers, among other entities, for the purposes of examining and inspecting the premises and contents including various financial records and documents.

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

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

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

New law requires persons not licensed as a grain dealer to post notification that they are not licensed on their premises and on 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.

Prior law required all monies in the Grain and Cotton Indemnity Fund not spent or encumbered at the end of a fiscal year to remain in the fund.

New 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.

Prior law required any assessments made under the Grain and Cotton Indemnity Fund not apply to grain or cotton purchased or contracted prior to Aug. 15, 2008.

New law repeals prior law.

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

New law provides for a comprehensive revision to prior 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.

Prior law made a producer eligible to receive indemnity payments if a licensed dealer became insolvent after Jan. 1, 2008.

New law modifies prior law by removing the reference to Jan. 1, 2008.

Prior law required 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.

New law modifies prior law by changing the reference to the Grain and Cotton Indemnity Fund to claims in accordance with the 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 thereto, published by the secretary of state.

Effective Aug. 1, 2020.

(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)(introductory paragraph); Adds R.S. 3:3402(20) and 3410.1(G); Repeals R.S. 3:3412.1(C)(4))