

First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

## SENATE ENROLLED ACT No. 461

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AN ACT to amend the Indiana Code concerning commercial law.

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

SECTION 1. IC 15-11-8 IS REPEALED [EFFECTIVE JULY 1, 2025]. (Inspection of Grain Moisture Testing Equipment).

SECTION 2. IC 26-3-7-2, AS AMENDED BY P.L.208-2021, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. The following definitions apply throughout this chapter:

- (1) "Agency" refers to the Indiana grain buyers and warehouse licensing agency established under section 1 of this chapter.
- (2) "Anniversary date" means the date that is ninety (90) calendar days after the fiscal year end of a business licensed under this chapter.
- (3) "Bin" means a bin, tank, interstice, or other container in a warehouse in which bulk grain may be stored.
- (4) "Board" means the governing body of the Indiana grain indemnity corporation created by IC 26-4-3-2.
- (5) "Buyer-warehouse" means a person that operates both as a warehouse licensed under this chapter and as a grain buyer.
- (6) "Claimant" means a person to whom a licensee owes a storage or financial obligation under this chapter for grain that has been delivered to the licensee for sale or for storage under a bailment.
- (7) "Crop year" means the period from one (1) year's harvest to the next year for a specified field crop as follows:

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- (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.
- (8) "Daily position record" means a written or electronic document that is maintained on a daily basis for each grain commodity, contains a record of the total amount of grain in inventory for that business day, and complies with any requirements established by the director.
- (9) "Deferred pricing" or "~~price later~~" means a purchase by a buyer in which title to the grain passes to the buyer and the price to be paid to the seller is not determined:
- (A) at the time the grain is received by the buyer; or
  - (B) less than twenty-one (21) days after delivery.
- (10) "Delayed payment" means:
- (A) a purchase by a buyer in which title to the grain passes to the buyer at a determined price; and
  - (B) payment to the seller is not made in less than twenty-one (21) days after delivery.
- (11) "Depositor" means any of the following:
- (A) A person that delivers grain to a licensee under this chapter for storage or sale.
  - (B) A person that:
    - (i) owns or is the legal holder of a ticket or receipt issued by a licensee for grain received by the licensee; and
    - (ii) is the creditor of the issuing licensee for the value of the grain received in return for the ticket or receipt.
  - (C) A licensee that stores grain that the licensee owns solely, jointly, or in common with others in a warehouse owned or controlled by the licensee or another licensee.



(12) "Designated representative" means the person or persons designated by the director to act instead of the director in assisting in the administration of this chapter.

(13) "Director" means the director of the Indiana grain buyers and warehouse licensing agency appointed under section 1 of this chapter.

(14) "Facility" means a permanent business location or one (1) of several permanent business locations in Indiana that are operated as a warehouse or by a grain buyer.

(15) "Failed" or "failure" means any of the following:

(A) The inability of a licensee to financially satisfy fully all obligations due to claimants:

(B) Public declaration of a licensee's insolvency:

(C) Revocation of a licensee's license, if the licensee has outstanding indebtedness owed to claimants:

(D) Nonpayment of a licensee's debts in the ordinary course of business, if there is not a good faith dispute:

(E) Voluntary surrender of a licensee's license, if the licensee has outstanding indebtedness to claimants:

(F) Involuntary or voluntary bankruptcy of a licensee:

**(15) "Flat price contract" means a contract that sets a fixed price for a specific delivery requirement, where the price is determined by adding the basis to the futures price of the same commodity, which is set before the futures contract expires.**

(16) "Fund" means the Indiana grain indemnity fund established under IC 26-4-4-1.

(17) "Grain" means corn for all uses, popcorn, wheat, oats, barley, rye, sorghum, soybeans, oil seeds, other agricultural commodities as approved by the agency, and seed as defined in this section. The term does not include canning crops for processing or sweet corn.

(18) "Grain assets" means any of the following:

(A) All grain and grain coproducts owned or stored by a licensee, including the following:

(i) Grain that is in transit following shipment by a licensee.

(ii) Grain that has not been paid for.

(iii) Grain that is stored in unlicensed facilities that are leased, owned, or occupied by the licensee.

(B) All proceeds, due or to become due, from the sale of a licensee's grain.

(C) Equity, less any secured financing directly associated with



the equity, in hedging or speculative margin accounts of a licensee held by a commodity or security exchange, or a dealer representing a commodity or security exchange, and any money due the licensee from transactions on the exchange, less any secured financing directly associated with the money due the licensee from the transactions on the exchange.

(D) Any other unencumbered funds, property, or equity in funds or property, wherever located, that can be directly traced to the sale of grain by a licensee. However, funds, property, or equity in funds or property may not be considered encumbered unless:

- (i) the encumbrance results from valuable consideration paid to the licensee in good faith by a secured party; and
- (ii) the encumbrance did not result from the licensee posting the funds, property, or equity in funds or property as additional collateral for an antecedent debt.

(E) Any other unencumbered funds, property, or equity in assets of the licensee.

(19) "Grain bank grain" means grain owned by a depositor for use in the formulation of feed and stored by the warehouse to be returned to the depositor on demand.

(20) "Grain buyer" means a person who is engaged in the business of buying grain from producers.

(21) "Grain coproducts" means any milled or processed grain, including the grain byproduct of ethanol production.

(22) "Grain standards act" means the United States Grain Standards Act, approved August 11, 1916 (39 Stat. 482; 7 U.S.C. 71-87 as amended).

(23) "License" means a license issued under this chapter.

(24) "Licensee" means a person who operates a facility that is licensed under this chapter.

(25) "Official grain standards of the United States" means the standards of quality or condition for grain, fixed and established by the secretary of agriculture under the grain standards act.

**(26) "Parent entity" means an entity that owns at least twenty percent (20%) or the equivalent of another entity, including through shares, membership interests, or other securities, or as a partner in a general partnership or joint venture.**

~~(26)~~ (27) "Person" means an individual, partnership, corporation, association, or other form of business enterprise.

~~(27)~~ (28) "Receipt" means a warehouse receipt issued by a warehouse licensed under this chapter.



- (29) "Revocation of a license" means any of the following:**
- (A) The inability of a licensee to financially satisfy fully all obligations due to claimants.**
  - (B) Public declaration of a licensee's insolvency.**
  - (C) Revocation of a licensee's license, if the licensee has outstanding indebtedness owed to claimants.**
  - (D) Nonpayment of a licensee's debts in the ordinary course of business, if there is not a good faith dispute.**
  - (E) Involuntary or voluntary bankruptcy of a licensee.**
- ~~(28)~~ **(30) "Seed", notwithstanding IC 15-15-1, means grain set apart to be used primarily for the purpose of producing new plants.**
- ~~(29)~~ **(31) "Seed inventory" means seed for commercial sale.**
- (32) "Storage" means a facility or system that is designed, structured, and equipped to receive, clean, dry, store, and dispense grains or seeds. The term includes a facility where the producer has maintained:**
- (A) title to the grain until selling or moving the grain to a facility other than the facility where the grain was delivered; and**
  - (B) a record or proof of storage at the facility where the grain was delivered.**
- (33) "Storage loss" means a loss to a storage depositor resulting from a warehouse operator:**
- (A) whose license has been revoked; and**
  - (B) who has not fully satisfied the warehouse operator's storage obligation to the depositor, after any outstanding charges against the grain.**
- (34) "Subsidiary" means an entity, including a general partnership or joint venture, that is owned in whole or part by one (1) or more other entities, including at least one (1) entity that constitutes a parent entity.**
- ~~(30)~~ **"Suspension" means a temporary halt to the purchase of grain under section 18(b) of this chapter.**
- ~~(31)~~ **(35) "Ticket" means a scale weight ticket, a load slip, or other evidence, other than a receipt, given to a depositor upon initial delivery of grain to a facility.**
- ~~(32)~~ **(36) "Warehouse act" means the United States Warehouse Act, approved August 11, 1916 (39 Stat. 486; 7 U.S.C. 241-273 as amended).**
- ~~(33)~~ **(37) "Warehouse" means any building or other protected enclosure in one (1) general location licensed or required to be**



licensed under this chapter, **which building or other protected enclosure is operated under one (1) ownership and run from a single office, and** in which grain is or may be:

- (A) stored for hire;
- (B) used for grain bank storage; or
- (C) used to store company owned grain.

~~and the building or other protected enclosure is operated under one (1) ownership and run from a single office.~~

~~(34)~~ **(38)** "Warehouse operator" means a person that operates a facility or group of facilities in which grain is or may be stored for hire or which is used for grain bank storage and which is operated under one (1) ownership and run from a single office.

SECTION 3. IC 26-3-7-3, AS AMENDED BY P.L.208-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. (a) The director may do the following:

- (1) Require any reports that are necessary to administer this chapter.
- (2) Administer oaths, issue subpoenas, compel the attendance and testimony of witnesses, and compel the production of records in connection with any investigation, **informal meeting**, or hearing under this chapter.
- (3) Prescribe all forms within the provisions of this chapter.
- (4) Establish grain standards in accordance with the grain standards act and federal regulations promulgated under that act that must be used by warehouses.
- (5) Investigate the activities required by this chapter including the storage, shipping, marketing, and handling of grain and complaints with respect to the storage, shipping, marketing, and handling of grain.
- (6) Inspect a facility, the grain stored in a facility, and all property and records pertaining to a facility. All inspections of an applicant or licensee under this chapter must take into consideration the proprietary nature of an applicant's or licensee's commercial information. ~~The director may adopt rules under IC 4-22-2 regarding inspections permitted under this chapter; and the rules must take into consideration the proprietary nature of an applicant's or a licensee's commercial information.~~ This chapter does not authorize the inspection of an applicant's or licensee's trade secret or intellectual property information.
- (7) Determine whether a facility for which a license has been applied for or has been issued is suitable for the proper storage, shipping, and handling of the grain that is stored, shipped, or



handled, or is expected to be stored, shipped, or handled.

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

(9) Attend and preside over any investigation, **informal meeting**, or hearing allowed or required under this chapter.

(10) Impose sanctions for violations of this article.

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

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

(B) Demonstrate passage of the series 3 examination administered by the National Futures Association;

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

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

"NOTICE - SELLER IS CAUTIONED THAT CONTRACTING FOR THE SALE AND DELIVERY OF GRAIN INVOLVES RISKS. THESE RISKS MAY INCLUDE FUTURE PAYMENTS BY YOU TO MAINTAIN THIS CONTRACT, A LOWER SALES PRICE, AND OTHER RISKS NOT SPECIFIED.

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)          .

COVERAGE UNDER THE INDIANA GRAIN INDEMNITY PROGRAM IS FOR GRAIN THAT HAS BEEN DELIVERED TO A FIRST PURCHASER LICENSEE WITHIN THE 15 MONTHS BEFORE THE DATE OF ~~FAILURE~~ **THE REVOCATION OF A LICENSE** AND IS LIMITED TO 100% OF A LOSS FOR STORED GRAIN AND 80% OF A LOSS FOR OTHER COVERED CONTRACTS.

BE SURE YOU UNDERSTAND THE NATURE OF THIS CONTRACT AND THE ASSOCIATED RISKS."

~~(13)~~ **(12)** Require all contracts executed ~~after January 1, 2000~~, for the production of seed to include the following notice, in conspicuous letters, immediately above the place on the contract or an addendum where the seller of the seed must sign:

"NOTICE - IF THE TERMS OF THIS CONTRACT STATE THAT THE CONTRACTOR RETAINS OWNERSHIP OF THE SEED AND ITS PRODUCTS, YOU MAY NOT BE ELIGIBLE FOR PARTICIPATION IN THE INDIANA GRAIN INDEMNITY PROGRAM. TO BE ELIGIBLE TO PARTICIPATE IN THE INDIANA GRAIN INDEMNITY PROGRAM, FARMERS MUST OWN AND SELL GRAIN OR SEED. BE SURE YOU UNDERSTAND THE NATURE OF THIS CONTRACT AND THE ASSOCIATED RISKS."

~~(14)~~ **(13)** At any time, order an unannounced audit for compliance with this article.

~~(15)~~ **Adopt rules under IC 4-22-2 to carry out the purposes and intent of this chapter.**

~~(16)~~ **(14)** Require all grain buyers offering deferred pricing, delayed payments, or contracts linked to the commodity futures or commodity options market in connection with a grain purchase to document the agreement in writing not more than twenty-one (21) days after delivery.

~~(17)~~ **(15)** Receive and consider financial audits of a licensee conducted by an independent audit or accounting firm.

~~(18)~~ **(16)** Share information with board members regarding the financial status of a licensee, while the board is in executive session and without disclosing the name or any other identifying information of the licensee, including the following:

(A) Whether there is a risk that a ~~licensee~~ **licensee's license** may ~~fail~~ **be revoked**.





(B) The financial impact to the fund if a licensee identified in clause (A) were to ~~fail~~: **have the licensee's license revoked.**

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

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

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

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

(b) The director shall do the following:

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

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

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

~~(A) register with the agency; and~~

~~(B) provide the agency with proof of registry with the commodity futures trading commission (CFTC) as a commodity trading advisor; a futures commission merchant; an introducing broker; or an associated person.~~

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

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

~~(2) (1) adopt rules; or~~

~~(3) (2) act as the ultimate authority in the administration of this chapter.~~

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

(e) The director may determine whether geographically separate facilities constitute a single warehouse or grain buyer and in making the determination may consider the following:

(1) The number of facilities involved.

(2) Whether full weighing equipment is present at the geographically separate facilities.

(3) The method of bookkeeping employed by the separate facilities.



- (4) The hours of operation of the separate facilities.
- (5) The personnel employed at the separate facilities.
- (6) Other factors the director deems relevant.

**(f) For purposes of determining whether a building or other protected enclosure constitutes a single warehouse that requires a single license under this chapter, the director may consider the following:**

- (1) The presence of a full weighing facility at geographically diverse warehouse facilities.**
- (2) The traditional method of record keeping with respect to the separate facilities.**
- (3) The hours, number of personnel, and activities of the separate facilities.**
- (4) Any other factor considered relevant.**

**In the absence of contradictory information, any warehouses owned and operated by the same person that are located within close proximity of each other are presumed to constitute a single warehouse.**

**(g) The director and the director's ~~designees~~ designated representative shall become members of the national grain regulatory organization and shall:**

- (1) work in partnership with other state grain regulatory officials;**
- (2) participate in national grain regulatory meetings; and**
- (3) provide expertise and education at national meetings.**

**(h) The director shall engage an independent third party firm to conduct a performance review of the agency's auditing practices and procedures at least once every five (5) years. 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.**

**(i) The director may subpoena or require that certain records located outside Indiana, if any, be brought to a specified location in Indiana for review by the agency.**

**SECTION 4. IC 26-3-7-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3.5. When computing any period of time under this chapter, including the time of service of a notice, the computation must comply with IC 4-21.5-3-2.**

**SECTION 5. IC 26-3-7-4, AS AMENDED BY P.L.60-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4. (a) A person may not operate a warehouse or**



conduct business as a grain buyer or buyer-warehouse without first having obtained the appropriate license from the agency. ~~nor may a person or entity associated with the person continue to operate a warehouse or conduct business as a grain buyer or buyer-warehouse after the person's license has been revoked or suspended, except as provided in section 18 of this chapter.~~

(b) All facilities in Indiana that an applicant for a license uses to store or handle grain must qualify for and obtain a license and be licensed under this chapter before the applicant may operate a warehouse or conduct business as a grain buyer in Indiana. An applicant may not be licensed unless all of the applicant's facilities qualify for a license under this chapter. An applicant for a license must apply to the agency for a license that covers all facilities operated by the applicant for the storage or handling of grain in Indiana.

**(b) A person may not be licensed to operate a particular facility unless all facilities operated by the person in Indiana also qualify to be and are licensed under this chapter. A person that operates multiple facilities for the storage or handling of grain in Indiana must obtain a license that covers all facilities operated by the person.**

**(c) A person may not represent that the person is licensed under this chapter, and may not use a name or description that conveys an impression that the person is licensed under this chapter, unless the person holds a valid license issued under this chapter that has not been terminated.**

~~(e)~~ (d) If a licensee acquires an additional grain storage or handling facility in Indiana, the licensee shall promptly submit to the agency an amended application for licensure. A licensee shall promptly notify the agency of a material change to the licensee's operations, such as expansion of the amount of storage being used in the licensee's existing facilities or change of ownership of a facility, and shall provide the director with additional information the director may require. A licensee shall obtain the approval of the director before making use of increased storage or handling capacity.

~~(d)~~ (e) A licensee that acquires an additional grain storage or handling facility that is required to be licensed ~~shall~~ **may** not use the facility for the storage or handling of grain until it qualifies for and is issued a license and is licensed as provided in this chapter. If a licensed grain storage or handling facility that a licensee operates in Indiana becomes ineligible for a license at any time for any reason, ~~it shall~~ **the facility may** not be used for the storage or handling of grain until the condition making it ineligible is removed.



(e) A licensee shall maintain at least eighty percent (80%) of the unpaid balance of grain payables in unencumbered assets represented by the aggregate of the following:

- (1) Company owned grain;
- (2) Cash on hand;
- (3) Cash held on account in federally or state licensed financial institutions or lending institutions of the Federal Farm Credit Administration;
- (4) Investments held in time accounts with federally or state licensed financial institutions;
- (5) Direct obligations of the United States government;
- (6) Balances in grain margin accounts determined by marking to market;
- (7) Balances due or to become due to the licensee on deferred pricing contracts;
- (8) Marketable securities, including mutual funds;
- (9) Irrevocable letters of credit that are:
  - (A) in favor of the agency;
  - (B) acceptable to the agency; and
  - (C) in addition to any letter of credit deposited with the director to satisfy the bonding requirement of this chapter;
- (10) Deferred pricing contract service charges due or to become due to the licensee;
- (11) Other evidence of proceeds from or of grain that is acceptable to the agency;
- (12) Seed inventory;
- (13) Other assets approved by the director.

(f) A licensee must have the minimum positive net worth specified in section 16 of this chapter to hold any license or do business.

SECTION 6. IC 26-3-7-4.1, AS AMENDED BY P.L.145-2017, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4.1. (a) The agency shall mail by first class mail or send electronically a renewal application, which must include a listing of all the licensee's facilities, to each licensee before the end of the licensee's fiscal year. The renewal application form must be completed and returned to the agency not later than ninety (90) days after the end of the licensee's fiscal year. The licensee must forward, with the renewal application, the following:

- (1) Current **reviewed review level or audit level** financial statement **that:**
  - (A) **is prepared by an independent accountant certified under IC 25-2.1; and**



**(B) complies with generally accepted United States accounting principles.**

- (2) Updated financial profile form supplied by the agency.
- (3) Appropriate license fee.

(b) A renewal application must contain the information as required under rules adopted by the agency. The licensee shall receive an annual renewal license application form appropriate to the license issued to the licensee. The annual renewal license application forms are for a:

- (1) grain bank;
- (2) warehouse;
- (3) grain buyer; or
- (4) buyer-warehouse.

SECTION 7. IC 26-3-7-4.2, AS ADDED BY P.L.145-2017, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4.2. (a) If an applicant for a license or a renewal of a license issued under this chapter does not regularly conduct business at **an a street** address at which the applicant usually can be contacted in Indiana, the applicant shall include with the applicant's application a written appointment of a registered agent for service of process, notice, or demand.

(b) **The appointment in subsection (a) must be accompanied by a written acceptance of the appointment by the registered agent. The designation of a registered agent and requirements for a registered agent must comply with the requirements under IC 23-0.5-4.**

(c) The registered agent must be an individual who is a resident of Indiana or a corporation whose principal place of business is located in Indiana.

(d) The appointment must be made in the form and manner prescribed by the director.

(e) If a registered agent resigns or relocates from Indiana or the applicant revokes the registered agent's appointment, the applicant shall:

- (1) immediately notify the director in writing not later than thirty (30) days before the resignation, relocation, or revocation; and
- (2) file with the director a written appointment of another registered agent, along with a written acceptance of the appointment signed by the registered agent.

(f) If a registered agent dies or is incapacitated, the applicant shall:

- (1) immediately notify the director in writing of the death or incapacity;
- (2) not later than thirty (30) days after the death or incapacity, appoint another registered agent; and



(3) file with the director a written appointment of the other registered agent, along with a written acceptance of the appointment signed by the registered agent.

(g) Failure to comply with this section is grounds for denial, suspension, or revocation of a license.

SECTION 8. IC 26-3-7-4.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 4.4. (a) The agency shall issue the following types of licenses:**

**(1) A grain bank license may be issued to a person that:**

- (A) stores only grain bank grain;**
- (B) has a storage capacity of not more than fifty thousand (50,000) bushels of grain; and**
- (C) purchases less than fifty thousand (50,000) bushels of grain per year.**

**(2) A warehouse license may be issued to a person that:**

- (A) stores grain for hire; and**
- (B) purchases less than fifty thousand (50,000) bushels of grain per year.**

**(3) A grain buyer license may be issued to a person that:**

- (A) purchases annually at least fifty thousand (50,000) bushels of grain that are not for the sole purpose of feeding the person's own livestock or poultry;**
- (B) chooses to obtain a grain buyer's license; or**
- (C) offers deferred pricing, delayed payments, or contracts linked to the commodity futures or commodity options market in connection with grain purchases.**

**(4) A buyer-warehouse license may be issued to a person that operates both as a warehouse and as a grain buyer.**

**(b) An applicant shall file with the director a separate application for each license or amendment of a license at the times, on the forms, and containing the information that the director prescribes.**

**(c) An initial application for a license must be accompanied by a license fee as follows:**

**(1) For a grain bank or for a warehouse or buyer-warehouse with a storage capacity of less than two hundred fifty thousand (250,000) bushels, one thousand dollars (\$1,000) for the first facility and two hundred fifty dollars (\$250) for each additional facility.**

**(2) For a warehouse or a buyer-warehouse with a storage capacity of at least two hundred fifty thousand (250,000)**



bushels but less than one million (1,000,000) bushels, one thousand five hundred dollars (\$1,500) for the first facility and two hundred fifty dollars (\$250) for each additional facility.

(3) For a warehouse or a buyer-warehouse with a storage capacity of at least one million (1,000,000) bushels but less than ten million (10,000,000) bushels, two thousand dollars (\$2,000) for the first facility and two hundred fifty dollars (\$250) for each additional facility.

(4) For a warehouse or buyer-warehouse with a storage capacity greater than ten million (10,000,000) bushels, two thousand five hundred dollars (\$2,500) for the first facility and two hundred fifty dollars (\$250) for each additional facility.

(5) For a grain buyer, including a grain buyer that is also licensed as a warehouse under the warehouse act, one thousand five hundred dollars (\$1,500) for the first facility and two hundred fifty dollars (\$250) for each additional facility.

The director may prorate the initial application fee for a license that is issued at least thirty (30) days after the anniversary date of the licensee's business.

(d) Before the anniversary date of the license, the licensee shall pay an annual fee in an amount equal to the amount required under subsection (c). The director may prorate the annual application fee for a license that is modified at least thirty (30) days after the anniversary date of the licensee's license.

(e) A licensee or an applicant for an initial license must have a minimum current asset to current liability ratio of one to one (1:1) or better.

(f) An applicant for an initial license shall submit with the person's application a review level financial statement or better financial statement that reflects the applicant's financial situation on a date not more than fifteen (15) months before the date on which the application is submitted. A financial statement submitted under this section must:

- (1) be prepared by an independent accountant certified under IC 25-2.1;
- (2) comply with generally accepted United States accounting principles; and
- (3) contain:
  - (A) an income statement;



- (B) a balance sheet;
- (C) a statement of cash flow;
- (D) a statement of retained earnings;
- (E) an aged accounts receivable listing detailing accounts that are ninety (90) days due, one hundred twenty (120) days due, and more than one hundred twenty (120) days due;
- (F) a copy of the daily position record for the end of the licensee's fiscal year;
- (G) the preparer's notes; and
- (H) other information the agency may require.

(g) If a licensee's storage capacity changes between license renewals, the agency shall charge the licensee a fee of two hundred fifty dollars (\$250).

(h) An application for a license implies a consent to be inspected.

(i) Fees collected under this section shall be deposited in the grain buyers and warehouse licensing agency license fee fund established by section 6.3 of this chapter.

SECTION 9. IC 26-3-7-4.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4.7. (a) If a licensee desires to relinquish its license issued under this chapter, the licensee shall submit a written request to the director to relinquish the license. The relinquishment request must include a certification from the licensee that the licensee:

- (1) has fully satisfied all payment obligations to all producers for any grain purchased by the licensee including any payment obligations under any contract, deferred pricing agreement, deferred payment agreement, or other similar legal instrument;
- (2) has no outstanding storage obligations to any licensee or person;
- (3) is not party to any contract, deferred pricing agreement, basis contract, hold-pay agreement, or other similar legal instrument under which grain will be delivered to the licensee; and
- (4) either does not have receipts in its possession or, if the licensee has receipts in its possession, the receipts are enclosed or will be provided to the director or the director's designated representative to facilitate the recovery of unused receipts under section 30 of this chapter.

(b) The relinquishment request must include a list of all known





customers of the licensee in the preceding eighteen (18) months and the last known telephone numbers and mailing addresses of each person identified.

(c) The agency shall send a notice to each known customer of the licensee from the list provided in subsection (b) for the preceding eighteen (18) months.

(d) Before the director may grant the licensee's relinquishment request the agency shall perform a closeout audit of the licensee.

SECTION 10. IC 26-3-7-6 IS REPEALED [EFFECTIVE JULY 1, 2025]. Sec. 6: (a) The agency shall issue the following licenses:

(1) A grain bank license may be issued to a person that:

(A) stores only grain bank grain;

(B) has a storage capacity of not more than fifty thousand (50,000) bushels of grain; and

(C) purchases less than fifty thousand (50,000) bushels of grain per year.

(2) A warehouse license may be issued to a person that:

(A) stores grain for hire; and

(B) purchases less than fifty thousand (50,000) bushels of grain per year.

(3) A grain buyer license may be issued to a person that:

(A) purchases annually at least fifty thousand (50,000) bushels of grain that are not for the sole purpose of feeding the person's own livestock or poultry;

(B) chooses to obtain a grain buyer's license; or

(C) offers deferred pricing, delayed payments, or contracts linked to the commodity futures or commodity options market in connection with grain purchases.

(4) A buyer-warehouse license may be issued to a person that operates both as a warehouse and as a grain buyer.

(b) An applicant shall file with the director a separate application for each license or amendment of a license at the times, on the forms, and containing the information that the director prescribes.

(c) An initial application for a license must be accompanied by a license fee as follows:

(1) For a grain bank or for a warehouse or buyer-warehouse with a storage capacity of less than two hundred fifty thousand (250,000) bushels, one thousand dollars (\$1,000) for the first facility and two hundred fifty dollars (\$250) for each additional facility.

(2) For a warehouse or a buyer-warehouse with a storage capacity of at least two hundred fifty thousand (250,000) bushels but less



than one million (1,000,000) bushels; one thousand five hundred dollars (\$1,500) for the first facility and two hundred fifty dollars (\$250) for each additional facility:

(3) For a warehouse or a buyer-warehouse with a storage capacity of at least one million (1,000,000) bushels but less than ten million (10,000,000) bushels; two thousand dollars (\$2,000) for the first facility and two hundred fifty dollars (\$250) for each additional facility:

(4) For a warehouse or buyer-warehouse with a storage capacity greater than ten million (10,000,000) bushels; two thousand five hundred dollars (\$2,500) for the first facility and two hundred fifty dollars (\$250) for each additional facility:

(5) For a grain buyer, including a grain buyer that is also licensed as a warehouse under the warehouse act; one thousand five hundred dollars (\$1,500) for the first facility and two hundred fifty dollars (\$250) for each additional facility:

The director may prorate the initial application fee for a license that is issued at least thirty (30) days after the anniversary date of the licensee's business:

(d) Before the anniversary date of the license; the licensee shall pay an annual fee in an amount equal to the amount required under subsection (c). The director may prorate the annual application fee for a license that is modified at least thirty (30) days after the anniversary date of the licensee's license:

(e) A licensee or an applicant for an initial license must have a minimum current asset to current liability ratio of one to one (1:1) or better:

(f) An applicant for an initial license shall submit with the person's application a review level financial statement or better financial statement that reflects the applicant's financial situation on a date not more than fifteen (15) months before the date on which the application is submitted. A financial statement submitted under this section must:

(1) be prepared by an independent accountant certified under IC 25-2.1;

(2) comply with generally accepted accounting principles; and

(3) contain:

(A) an income statement;

(B) a balance sheet;

(C) a statement of cash flow;

(D) a statement of retained earnings;

(E) an aged accounts receivable listing detailing accounts that are ninety (90) days due; one hundred twenty (120) days due;



- and more than one hundred twenty (120) days due;
- (F) a copy of the daily position record for the end of the licensee's fiscal year;
- (G) the preparer's notes; and
- (H) other information the agency may require.

The director may adopt rules under IC 4-22-2 to allow the agency to accept other substantial supporting documents instead of those listed to determine the financial solvency of the applicant if the director determines that providing the listed documents creates a financial or other hardship on the applicant or licensee.

(g) If a licensee's storage capacity changes between license renewals, the agency shall charge the licensee a fee of two hundred fifty dollars (\$250).

(h) An application for a license implies a consent to be inspected.

(i) Fees collected under this section shall be deposited in the grain buyers and warehouse licensing agency license fee fund established by section 6.3 of this chapter.

SECTION 11. IC 26-3-7-6.1, AS AMENDED BY P.L.134-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 6.1. (a) Not more than ninety (90) days after the end of a licensee's fiscal year, the licensee shall file with the agency a current review level financial statement or better financial statement that reflects the licensee's financial situation for the previous fiscal year. The financial statement must be submitted with the licensee's renewal forms and fees.

(b) ~~(a)~~ A financial statement submitted under this section ~~chapter~~ must **comply with the following**:

- (1) Be prepared by an independent accountant certified under IC 25-2.1.
- (2) Comply with generally accepted **United States** accounting principles. ~~and~~
- (3) Be at a review level or audit level.**
- ~~(3)~~ **(4)** Contain:
  - (A) an income statement;
  - (B) a balance sheet;
  - (C) a statement of cash flow;
  - (D) a statement of retained earnings;
  - (E) an aged accounts receivable listing detailing accounts that are ninety (90) days due; one hundred twenty (120) days due; and more than one hundred twenty (120) days due;
  - (F) a copy of the daily position record for the end of the licensee's fiscal year;



~~(G)~~ (E) the preparer's notes; and

~~(H)~~ (F) other information the agency requires.

**(5) An aged accounts receivable listing detailing accounts that are ninety (90) days due, one hundred twenty (120) days due, and more than one hundred twenty (120) days due.**

**(6) A copy of the daily position record for the end of the licensee's fiscal year.**

The director may adopt rules under IC 4-22-2 to allow the agency to accept other substantial supporting documents instead of those listed to determine the financial solvency of the applicant if the director determines that providing the listed documents creates a financial or other hardship on the applicant or licensee.

(c) If the licensee has failed to timely file the financial statement, renewal form, or renewal fee as required in subsection (a), the agency may assess a fine as follows:

(1) Fifty percent (50%) of the licensee's renewal fee for a financial statement, renewal form, or renewal fee that is at least one (1) day and not more than sixty (60) days late.

(2) One hundred percent (100%) of the licensee's renewal fee for a financial statement, renewal form, or renewal fee that is more than sixty (60) days late.

(d) The agency may file a notice of hearing for any fines assessed under subsection (c).

**(b) If a person, an applicant, or a licensee is the subsidiary of a parent entity, and financial statements are not prepared by or for the person, applicant, or licensee in the ordinary course of business, the director may consider the following to be the equivalent of a review level or audit level financial statement, for purposes of this section:**

**(1) Either:**

**(A) a compilation level financial statement prepared in accordance with generally accepted United States accounting principles by an independent accountant certified under IC 25-2.1; or**

**(B) an audited or review level financial statement of the parent entity, current as of its most recent fiscal year end, that is in full compliance with the requirements of this section.**

**(2) An unconditional guaranty of the parent entity in the form required by the agency, with a term of at least one (1) year, under which the parent entity agrees without condition to satisfy in full any and all existing and future monetary**



obligations of the person, applicant, or licensee covered by all applicable licenses covered under this chapter.

(c) Except as provided in subsection (e), for any particular person, applicant, or licensee, the director may consider the following documents and materials, taken together, to be the equivalent of a compilation level, review level, or audit level financial statement for purposes of this section after making the determination required under subsection (b):

- (1) Copies of state and federal tax returns for the person, applicant, or licensee, for the two (2) years before the most recent fiscal year of the person, applicant, or licensee.
- (2) Copies of state and federal tax returns for the principals, members, shareholders, or other owners of or stakeholders in the person, applicant, or licensee.
- (3) Current reports or similar accounting documents showing all outstanding payables and receivables, with each due date and party, including contact information.
- (4) A business plan covering the next five (5) fiscal years of the person, applicant, or licensee and signed by a principal, member, shareholder, owner, or executive or other officer of the person, applicant, or licensee.
- (5) A proposed agreement between the person, applicant, or licensee and the agency, in the form required by the agency, where the person, applicant, or licensee agrees to use certain risk management practices, which the director determines are necessary or appropriate under the circumstances, to mitigate the risk of loss by the person, applicant, or licensee in the futures or options market.
- (6) Other documents or materials as the director may by rule identify.

(d) If a financial statement is required under this chapter, a person, applicant, or licensee may submit the equivalent of a review level or audit level financial statement under subsection (b) or (c) if the person, applicant, or licensee obtains preapproval from the director before the financial statement is or would be required to be submitted under this chapter and complies with the following:

- (1) At least forty-five (45) days before the financial statement is or would be required to be submitted under this chapter, the person, applicant, or licensee submits to the director a letter regarding the financial statement requirement that includes the following:



- (A) Identifies the person, applicant, or licensee submitting the letter and each section of this chapter that the person, applicant, or licensee is or will be required to submit a financial statement.
  - (B) Encloses all the documents and materials required under subsection (b) or (c).
  - (C) A detailed explanation regarding why, under the particular circumstances, the director should consider all the documents and materials required under subsection (b) or (c), as submitted, to be the equivalent of a review level or audit level financial statement.
  - (D) States whether the person, applicant, or licensee is seeking to submit the documents and materials required under subsection (b) or (c) only once, in perpetuity, or for some other set period.
  - (E) Sets forth contact information for the person, applicant, or licensee.
- (2) Upon receipt by the director of a letter under subdivision (1), the director shall do the following:
- (A) Conduct a review of the letter and its enclosures, including contacting the person, applicant, or licensee if necessary and reviewing any other documents, information, or other materials already available to the director.
  - (B) Determine whether the enclosures should be considered to be the equivalent of a review level or audit level financial statement under the circumstances and for the reasons set forth in the letter.
  - (C) Issue a notice of financial statement determination to the person, applicant, or licensee that sets forth the director's determination under clause (B), that includes the reasons under subdivision (3), and whether the determination will apply only once, in perpetuity, or for another set period, as determined by the director.
- (3) In reviewing the letter and its enclosures to make the determination under subdivision (2)(A) and (2)(B), the director shall consider the following:
- (A) Whether the documents and materials required under subsection (b) or (c), as submitted by the particular person, applicant, or licensee, adequately supply the director and the agency with sufficient information regarding the person, applicant, or licensee for the agency to perform its



statutory functions under this chapter with respect to the person, applicant, or licensee.

(B) Whether it would be reasonable and appropriate for the director to continue to accept the documents and materials required under subsection (b) or (c) from the person, applicant, or licensee, in perpetuity or for some other set period, including, the length of the guaranty required under subsection (b)(2).

(4) Any letter under subdivision (1) and any response under subdivisions (2) and (3), including the director's determination under subdivisions (2)(B) and (3), applies only to the person, applicant, or licensee that submitted the letter under subdivision (1).

(e) The director may not accept documents and materials listed in subsection (c) to be the equivalent of a review level or audit level financial statement from a person, an applicant, or a licensee if the person, applicant, or licensee offers:

- (1) deferred pricing;
- (2) delayed payments; or
- (3) contracts linked to the commodity futures or commodity options market in connection with grain purchases.

SECTION 12. IC 26-3-7-6.3, AS AMENDED BY P.L.208-2021, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: 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 **and IC 26-3-7.5**. 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~~; **IC 26-3-7.5-6**;
- (2) the licensing fees collected under ~~section 6~~ **section 4.4** of this chapter;
- (3) the fines collected under this chapter;
- (4) gifts and bequests; and
- (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.



SECTION 13. IC 26-3-7-6.5, AS AMENDED BY P.L.208-2021, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 6.5. (a) The names, locations, respective counties, and license status of licensees may be disclosed.

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

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

(d) The director shall disclose to the board, while the board is in executive session, the status and inspection results of any licensee ~~who~~ **that** poses a significant risk of ~~failure~~ **the director revoking the licensee's license** or ~~who that~~ has failed to meet the minimum requirements in section ~~4(c) or 16 14.4~~ of this chapter. The director may not include any identifying information regarding the licensee. The director may not disclose the information to a board member who has not executed a confidentiality agreement presented by the agency.

(e) The director shall provide the board with records of previous ~~failures~~ **license revocations** to analyze the factors that have led to previous ~~failures~~ **licenses being revoked**.

(f) The director may use the services of the state board of accounts or retain another entity to assist the agency in investigating any audit results or other factors which indicate the potential for ~~a licensee failure~~ **the revocation of a licensee's license**. The director may seek the advice and guidance of the board on selecting an entity or on any other matter.

SECTION 14. IC 26-3-7-6.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 6.8. (a) **A person that desires to conduct business as a grain buyer, warehouse operator, or buyer-warehouse in Indiana shall submit to the director the following:**

(1) **A completed license application in the form required by**





the agency.

(2) A financial statement that complies with the requirements of this chapter and that reflects the applicant's financial situation on a date not more than fifteen (15) months before the date the applicant first submits any of the license application materials required under this subsection.

(3) A completed certificate of deposit, a bond, or other security, in the form required by the agency, and proof of the deposit, bond, or other security sufficient to demonstrate compliance with the requirements of this section, including, as applicable, complete and accurate copies of all instruments, documents, or materials related to the deposit, bond, or other security.

(4) A completed certificate of insurance, in the form required by the agency, and proof of insurance sufficient to demonstrate compliance with the requirements of this section.

(5) Proof of compliance with the scale certification requirements.

(6) A certificate of good standing or other documentation sufficient to demonstrate that the applicant is licensed to do business in Indiana, including a current copy of the applicant's business information that is maintained by the secretary of state.

(7) Examples of grain delivery tickets, settlement sheets, purchase agreements, storage agreements, and other similar agreements that comply with the requirements of this chapter, that are to be used by the applicant in conducting business as a licensee in Indiana.

(8) Any other documentation that the director determines is necessary to demonstrate that the applicant is in compliance with the requirements for a license under this chapter.

(b) Within ninety (90) days of the receipt of all license application materials required under subsection (a), the director or director's designated representative shall review the license application and determine whether the applicant has demonstrated compliance with the requirements for a license under this chapter.

(c) An on-premises inspection of each applicable facility located within Indiana is required.

(d) The application must be denied if the applicant is not in full compliance with this chapter.

(e) If a license application is denied for any reason under this section, the notice of denial must set forth each reason for the



denial, including any failure by the applicant to comply with the requirements of this chapter.

**(f) An applicant may appeal a decision of the director to deny a license under IC 4-21.5-3.**

SECTION 15. IC 26-3-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 7. (a) ~~The director may issue or amend a license after the director has:~~

- ~~(1) received and approved the required information and documentation; and~~
- ~~(2) determined that:~~
  - ~~(A) the facility or facilities covered by the application are suitable for the proper storage or handling of the grain intended to be stored or handled in the facility or facilities; and~~
  - ~~(B) the applicant has complied with this chapter and the rules adopted under this chapter.~~

~~(b) A person may not represent that the person is licensed under this chapter, and may not use a name or description that conveys the impression that the person is licensed, in a receipt or otherwise, unless the person holds an unsuspended and unrevoked license to conduct the business indicated by the license.~~

~~(c) (a) An applicant for a license under this chapter must show that the applicant:~~

- ~~(1) has a good business reputation;~~
- ~~(2) has not been involved in improper manipulation of books and records or other improper business practice;~~
- ~~(3) (1) has the qualifications and background essential for the conduct of the business to be licensed;~~
- ~~(4) employs management and principal officers that have suitable business reputations, background, and qualifications to perform their duties;~~
- ~~(5) (2) has not been found guilty of a crime that would affect the licensee's ability to conduct business with integrity, involving illegal activities that involve money, assets, or financial tools for personal gain; and~~
- ~~(6) (3) does not employ an officer, director, partner, or manager that has been found guilty of a crime that would affect the licensee's ability to conduct business with integrity, involving illegal activities that involve money, assets, or financial tools for personal gain.~~

**(b) The agency may deny a license to an applicant that has been involved in improper business practices.**

SECTION 16. IC 26-3-7-8 IS REPEALED [EFFECTIVE JULY 1,



2025]. Sec. 8: Upon receipt of an application for a permanent license, the director may issue a temporary license to the applicant for a reasonable time, not to exceed ninety (90) days, as the director deems necessary or advisable to enable the applicant to comply with the further requirements for obtaining a license under this chapter. A temporary license entitles the temporary licensee to the same rights and subjects the temporary licensee to the same duties as if the temporary licensee had a permanent license.

SECTION 17. IC 26-3-7-8.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 8.5. (a) If the ownership of a facility or business licensed under this chapter passes to a successor owner, the obligations under this chapter of the original licensee do not cease until the successor owner is properly licensed and has executed a successor's agreement with the agency.

**(b) A license issued under this chapter is not transferable or assignable to any person, including successors in interest to the licensee.**

SECTION 18. IC 26-3-7-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 9. (a) Each applicant for a license under this chapter shall, as a condition of licensure, file or have on file with the director:

- (1) a cash deposit;
- (2) an irrevocable letter of credit;
- (3) a bond; or
- (4) any combination of the above;

as provided in section 10 of this chapter.

(b) A bond filed under this chapter shall:

- (1) be conditioned upon the faithful performance of all obligations of the licensee under this chapter and the rules adopted under this chapter from the effective date of the bond until the earlier of the date the license is revoked or the bond is canceled as provided in this chapter; and
- (2) be further conditioned upon the faithful performance of all obligations from the effective date of the bond and thereafter, regardless of whether the licensee's facility or facilities exist on the effective date of the bond or are thereafter assumed prior to the date the licensee's license is revoked or the bond is canceled as provided in this chapter.

(c) The bond must remain in effect during a violation ~~a temporary suspension of the licensee's license~~, or a period during which the licensee is subject to a cease and desist order.

SECTION 19. IC 26-3-7-10, AS AMENDED BY P.L.208-2021,



SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 10. (a) The minimum amount of bond, letter of credit, or cash deposit required from a licensee is as follows:

- (1) For a grain bank license or a warehouse license:
  - (A) fifty thousand dollars (\$50,000); and
  - (B) ten cents (\$0.10) multiplied by the licensed bushel storage capacity of the grain bank or warehouse.
- (2) For a grain buyer, including a grain buyer that is also a licensee under the warehouse act:
  - (A) fifty thousand dollars (\$50,000); or
  - (B) five-tenths percent (0.5%) of the total amount the grain buyer paid for grain purchased from producers during the grain buyer's most recent fiscal year;
 whichever is greater.
- (3) For a buyer-warehouse:
  - (A) an amount equal to the sum of:
    - (i) fifty thousand dollars (\$50,000); and
    - (ii) ten cents (\$0.10) multiplied by the licensed bushel storage capacity of the buyer-warehouse's facility; or
  - (B) five-tenths percent (0.5%) of the total amount the buyer-warehouse paid for grain purchased from producers during the buyer-warehouse's most recent fiscal year;
 whichever is greater.

(b) Except as provided in subsections (g) and (h), the amount of bond, letter of credit, or cash deposit required by this chapter may not exceed three hundred twenty-five thousand dollars (\$325,000) per license and may not exceed a total of one million two hundred fifty thousand dollars (\$1,250,000) per person.

(c) The licensed bushel storage capacity is the maximum number of bushels of grain that the licensee's facility could accommodate as determined by the director or the director's designated representative and shall be increased or reduced in accordance with the amount of space being used for storage from time to time.

(d) Instead of a bond or cash deposit, an irrevocable letter of credit in the prescribed amount may be provided with the director as the beneficiary. ~~The director shall adopt rules under IC 4-22-2 to establish acceptable form, substance, terms, and conditions for letters of credit.~~ The director may not release a party from the obligations of the letter of credit within ~~eighteen (18)~~ **fifteen (15)** months of the termination of the licensee's license.

(e) ~~The director shall adopt rules under IC 4-22-2 to provide for the receipt and retention of cash deposits. However, The director shall may~~



not return a cash deposit to a licensee until the director has taken reasonable precautions to assure that the licensee's obligations and liabilities have been or will be met.

(f) If a person is licensed or is applying for licenses to operate two (2) or more facilities in Indiana, the person may give a single bond, letter of credit, or cash deposit to satisfy the requirements of this chapter and the rules adopted under this chapter to cover all the person's facilities in Indiana.

(g) If a licensee has a deficiency in the minimum positive **tangible** net worth required under section ~~16(a)(2)(B), 16(a)(3)(B), 16(a)(4)(B), or 16(a)(5)(B)~~ **14.4** of this chapter, the licensee shall add to the amount of bond, letter of credit, or cash deposit determined under subsection (a) an amount equal to the deficiency or provide another form of surety as permitted under the rules of the agency.

(h) Except as provided in subsections (i) and (j), a licensee may not correct a deficiency in the minimum positive **tangible** net worth required by section ~~16(a)(1), 16(a)(2)(A), 16(a)(3)(A), 16(a)(4)(A), or 16(a)(5)(A)~~ **14.4** of this chapter by adding to the amount of bond, letter of credit, or cash deposit required by subsection (a).

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

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

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

(l) If the director or the director's designated representative finds a deficiency in minimum **positive tangible** 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 thirty (30) days to correct the deficiency. If a licensee fails to correct a deficiency in minimum **positive tangible** net worth within the thirty (30) day period, the director may issue a fine of not more than one thousand dollars (\$1,000).

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

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

~~(o)~~ (n) The director may require additional bonding that the director considers necessary.

SECTION 20. IC 26-3-7-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 14. (a) A licensee may not cancel an approved bond or approved insurance unless the director has given prior written approval for the cancellation and has received a substitute cash deposit or has approved a substitute bond or insurance. The surety on a bond may cancel a bond required by this chapter only after the expiration of ninety (90) days from the date the surety mailed a notice of intent to cancel, by registered or certified mail, to the director. An insurance company may cancel insurance required by this chapter only after the expiration of a thirty (30) day period from the mailing, by certified mail, of notice of intent to cancel, to the director. The surety and the insurance company shall, at the time of giving notice to the director, send a copy of the notice to the licensee.

(b) Notwithstanding any other provision of this chapter, ~~the license of~~ a licensee shall automatically be ~~suspended~~ **fined one thousand dollars (\$1,000)** for failure to:

- (1) file a new bond, letter of credit, or cash deposit within the ninety (90) day period as provided in this section;
- (2) file new evidence of insurance within the thirty (30) day period as provided in this section; or



(3) maintain at all times a bond or cash deposit and insurance as provided in this chapter.

The suspension shall continue until the licensee complies with the bonding and insurance requirements of this chapter. If a licensee fails to pay the fine and meet the requirements set forth in this subsection within ninety (90) days, the agency shall revoke the license of the licensee.

SECTION 21. IC 26-3-7-14.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 14.2. (a) A licensee under this chapter shall maintain a minimum current ratio of one to one (1:1) or better. The current ratio is determined by dividing a licensee's current assets by the licensee's current liabilities, as demonstrated by the licensee's financial statement submitted to the agency, the quotient of which is rounded to the nearest ten-thousandth (0.0001) decimal place.**

**(b) For purposes of subsection (a), a better ratio includes the absence of a current ratio where the value of a licensee's current liabilities, as demonstrated by the licensee's financial statement submitted to the agency, is zero (0).**

**(c) The addition by the licensee of an amount required under this section does not itself constitute or effect a cure of a current ratio deficiency.**

**(d) If the licensee's demonstrated current ratio is less than the required amount but greater than eighty-five percent (85%) of the required amount, then:**

- (1) the director or the director's designated representative shall issue a notice of deficiency to the licensee; and**
- (2) the licensee shall cure the current ratio deficiency within ninety (90) days from the receipt of the deficiency notice.**

**(e) If the licensee's demonstrated current ratio is less than or equal to eighty-five percent (85%) of the required amount or has not cured the ratio deficiency as required in subsection (d)(2), then the director shall hold an informal meeting in accordance with this chapter and, within thirty (30) days of the conclusion of the informal meeting, issue either:**

- (1) a consent agreement that requires the licensee to take certain actions within a set period, not to exceed twelve (12) months, to remedy the current ratio deficiency, as the director deems necessary and appropriate; or**
  - (2) an order that revokes the license or licenses of the licensee.**
- (f) If a licensee, after an informal meeting in subsection (e):**



(1) does not meet the requirements in subsection (e)(1), the director shall revoke; or  
 (2) has an asset to liability ratio that has continued to decline, the director may revoke;  
 the license or licenses of the licensee.

(g) Subject to section 31.8 of this chapter, the director shall assess a fine of one thousand dollars (\$1,000) against a licensee that does not maintain the minimum ratio requirement under subsection (a).

SECTION 22. IC 26-3-7-14.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 14.4. (a) As demonstrated by the licensee's financial statement submitted to the agency, a licensee under this chapter shall maintain a minimum positive tangible net worth, as required under this section.

(b) A licensee shall maintain a minimum positive tangible net worth as follows:

(1) For a grain bank license, at least one hundred thousand dollars (\$100,000).

(2) For a warehouse license, an amount at least equal to the sum of:

(A) one hundred thousand dollars (\$100,000); and

(B) ten cents (\$0.10) multiplied by the total bushel storage capacity of the facility or facilities covered by the warehouse license.

(3) For a grain buyer license, an amount at least equal to the greater of:

(A) one hundred thousand dollars (\$100,000); or

(B) five cents (\$0.05) multiplied by the total number of bushels of grain purchased under the grain buyer license during the grain buyer's most recent fiscal year.

(4) For a buyer-warehouse license, where the buyer-warehouse license has one (1) or more facilities with a total bushel storage capacity of less than one million (1,000,000) bushels or at which the buyer-warehouse's total annual purchases are less than one million (1,000,000) bushels of grain, an amount at least equal to the greater of:

(A) the sum of:

(i) one hundred fifty thousand dollars (\$150,000); and

(ii) ten cents (\$0.10) multiplied by the total bushel storage capacity of the facility or facilities covered by the buyer-warehouse license; or





(B) five cents (\$0.05) multiplied by the total number of bushels of grain purchased under the buyer-warehouse license during the buyer-warehouse's most recent fiscal year.

(5) For a buyer-warehouse license, where the buyer-warehouse license has one (1) or more facilities with a total bushel storage capacity of at least one million (1,000,000) bushels or at which the buyer-warehouse's annual purchases are at least one million (1,000,000) bushels of grain, an amount at least equal to the greater of:

(A) the sum of:

- (i) two hundred thousand dollars (\$200,000); and
- (ii) ten cents (\$0.10) multiplied by the total bushel storage capacity of the facility or facilities covered by the buyer-warehouse license; or

(B) five cents (\$0.05) multiplied by the total number of bushels of grain purchased under the buyer-warehouse license during the buyer-warehouse's most recent fiscal year.

(c) If a licensee has more than one (1) license, the licensee shall maintain a minimum positive tangible net worth that is at least equal to the sum of the minimum positive net worth amounts required under subsection (b) for each individual license held by the licensee.

(d) A licensee that fails to be above eighty-five percent (85%) of the minimum positive tangible net worth required under this section, as demonstrated by the licensee's financial statement submitted to the agency, may cure the minimum positive tangible net worth deficiency by adding to the amount of the deposit, bond, or other security required under this chapter an amount equal to the difference between the required minimum positive tangible net worth and the licensee's demonstrated net worth.

(e) A licensee may cure the minimum positive tangible net worth deficiency by submitting to the agency:

- (1) a financial statement, in compliance with the requirements of this chapter, and current as of a date within the time specified to cure the deficiency under this section, demonstrating that the licensee meets the required minimum positive tangible net worth; or
- (2) a new financial statement, in compliance with the requirements of this chapter, and current as of a date within the time specified to cure the deficiency under this section,



demonstrating that the licensee's demonstrated net worth is at least equal to the amount or amounts specified in subsection (b), and by adding to the amount of the deposit, bond, or other security required under this chapter an amount equal to the difference between the required minimum positive tangible net worth and the licensee's demonstrated net worth.

(f) The director may, in accordance with this section, require a licensee that has failed to meet the minimum positive tangible net worth requirement to add to the amount of the deposit, bond, or other security required under this section an amount the director deems necessary and appropriate to respond to the minimum positive tangible net worth deficiency. The addition by the licensee of an amount required under this subsection does not itself constitute or effect a cure of a minimum positive tangible net worth deficiency.

(g) If the licensee's demonstrated current net worth is less than the required amount but greater than eighty-five percent (85%) of the required amount, then:

- (1) the director or the director's designated representative shall issue a notice of deficiency to the licensee; and
- (2) the licensee shall cure the current net worth deficiency within ninety (90) days from the receipt of the deficiency notice.

(h) If the licensee's demonstrated current net worth is less than or equal to eighty-five percent (85%) of the required amount or has not cured the ratio deficiency as required in subsection (d), then the director shall hold an informal meeting in accordance with this chapter and, within thirty (30) days of the conclusion of the informal meeting, issue either:

- (1) a consent agreement that requires the licensee to take certain actions within a set period, not to exceed twelve (12) months, to remedy the current net worth deficiency, as the director deems necessary and appropriate; or
- (2) an order that revokes the license or licenses of the licensee.

(i) If a licensee, after an informal meeting in subsection (h):

- (1) does not meet the requirements in subsection (h)(1), the director shall revoke; or
- (2) has a net worth that has continued to decline, the director may revoke;

the license or licenses of the licensee.

(j) Subject to section 31.8 of this chapter, the director shall



**assess a fine of one thousand dollars (\$1,000) on a licensee that does not maintain the net worth requirement under subsection (b).**

SECTION 23. IC 26-3-7-16 IS REPEALED [EFFECTIVE JULY 1, 2025]. Sec. 16: (a) A licensee shall have and maintain a current asset to current liability ratio of one to one (1:1) and shall maintain, as evidenced by the financial statement required by section 6 of this chapter, the following minimum positive net worth:

(1) For a grain bank, minimum positive net worth is at least one hundred thousand dollars (\$100,000);

(2) For a warehouse, minimum positive net worth is at least equal to the sum of:

(A) one hundred thousand dollars (\$100,000); and

(B) ten cents (\$0.10) multiplied by the bushel storage capacity of the warehouse;

(3) For a grain buyer, minimum positive net worth is:

(A) one hundred thousand dollars (\$100,000); or

(B) five cents (\$0.05) multiplied by the total number of bushels of grain purchased by the grain buyer during the grain buyer's most recent fiscal year;

whichever is greater.

(4) For a buyer-warehouse that has a bushel storage capacity of less than one million (1,000,000) bushels or purchases less than one million (1,000,000) bushels of grain per year, minimum positive net worth is:

(A) the sum of:

(i) one hundred fifty thousand dollars (\$150,000); and

(ii) ten cents (\$0.10) multiplied by the bushel storage capacity of the buyer-warehouse; or

(B) five cents (\$0.05) multiplied by the total number of bushels of grain purchased by the buyer-warehouse during the buyer-warehouse's most recent fiscal year;

whichever is greater.

(5) For a buyer-warehouse that has a bushel storage capacity of at least one million (1,000,000) bushels or purchases at least one million (1,000,000) bushels of grain per year, minimum positive net worth is:

(A) the sum of:

(i) two hundred thousand dollars (\$200,000); and

(ii) ten cents (\$0.10) multiplied by the bushel storage capacity of the buyer-warehouse; or

(B) five cents (\$0.05) multiplied by the total number of bushels of grain purchased by the buyer-warehouse during the



buyer-warehouse's most recent fiscal year;  
whichever is greater.

(b) Except as provided in section 10 of this chapter, if a licensee is required to show additional net worth to comply with this section, the licensee may satisfy the requirement by adding to the amount of the bond, letter of credit, or cash deposit required under section 10 of this chapter an amount equal to the additional net worth required or provide another form of surety as permitted under the rules of the agency.

(c) The director may adopt rules under IC 4-22-2 to provide that a narrative market appraisal that demonstrates assets sufficient to comply with this section may satisfy the minimum positive net worth requirement.

SECTION 24. IC 26-3-7-16.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 16.3. (a) A licensee shall, as a condition of licensure, submit to the agency on an annual basis, and not later than one hundred twenty (120) days after the end of the licensee's fiscal year, the following:**

**(1) A completed annual report in the form and as otherwise required in this chapter.**

**(2) A financial statement for the licensee's most recent fiscal year that complies with the requirements of this chapter.**

**(3) The applicable license fee, in a form and manner of payment acceptable to the agency.**

**(b) Before the anniversary date of the license, the licensee shall pay an annual fee in an amount equal to the amount required under section 4.4 of this chapter. The director may prorate the annual application fee for a license that is modified at least thirty (30) days after the anniversary date of the licensee's license.**

**(c) If a licensee's storage capacity changes between license renewals, the agency shall charge the licensee a fee of two hundred fifty dollars (\$250).**

SECTION 25. IC 26-3-7-16.5, AS AMENDED BY P.L.145-2017, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 16.5. (a) Upon learning of the possibility that a shortage exists, either as a result of an inspection or a report or complaint from a depositor, the agency, based on an on-premises inspection, shall make a preliminary determination as to whether a shortage exists. If a shortage is not discovered, the agency shall treat the audit as it would any other audit.**

**(b) If it is determined that a shortage may exist, the director or the director's designated representative shall hold a hearing as soon as**



possible to confirm the existence of a shortage as indicated by the licensee's books and records and the grain on hand. Only the licensee, the surety company named on the licensee's bond, the issuer of the irrevocable letter of credit, and any grain depositor who has made a claim or complaint to the agency in conjunction with the shortage shall be considered as interested parties for the purposes of that hearing, and each shall be given notice of the hearing. At the hearing, the director or the director's designated representative shall determine whether there appears to be a reasonable probability that a shortage exists. If it is determined that a reasonable probability exists and that the bond or letter of credit proceeds or the cash deposit should be distributed, a preliminary determination shall be entered to the effect that the licensee has failed to meet its obligations under this chapter or the rules adopted under this chapter. At the hearing, the director or the director's designated representative ~~may order that~~ **shall take possession of the bond or other security required under this chapter and** all proceeds from grain sales are to be held in the form in which they are received and to be kept **in a separate account** from all other funds. ~~held by the licensee.~~ The order ~~may~~ **shall** also provide for informal conferences between agency representatives and persons who have or who appear to have grain deposited with the licensee. The surety company shall be permitted to participate in those conferences.

(c) In the event that the director determines that the bond or letter of credit proceeds or cash deposit is to be distributed, the agency shall hold a hearing on claims. Notice shall be given to the surety company named on the licensee's bond, the issuer of the irrevocable letter of credit, and to all persons shown by the licensee's books and records to have interests in grain deposited with the licensee. If the agency has actual knowledge of any other depositor or person claiming rights in the grain deposited with the licensee, the bond, the irrevocable letter of credit, or the cash deposit, notice shall also be provided to that person. In addition, public notice shall be provided in newspapers of general circulation that serve the counties in which licensed facilities are located, and notices shall be posted on the licensed premises. At the hearing on claims, the director or the director's designated representative may accept as evidence of claims the report of agency representatives who in informal conferences with depositors have concluded that a claim is directly and precisely supported by the licensee's books and records. When there is disagreement between the claims of a depositor and the licensee's books and records, the director or the director's designated representative shall hear oral claims and receive written evidence of claims in order to determine the validity of



the claim.

(d) Any depositor who does not present a claim at the hearing may bring the claim to the agency within fifteen (15) days after the conclusion of the hearing. However, a depositor who has a claim that was involved in the probate of an estate at the time of the claims hearing has one (1) year from the conclusion of the claims hearing to present the claim to the agency.

(e) Only grain that has been delivered to a first purchaser licensee for sale or storage under a bailment not more than fifteen (15) months before the date of ~~failure of the licensee~~ **revocation of the licensee's license** may be considered by the director or the director's designated representative in determining the total proven storage and financial obligations due to depositors and the loss sustained by each depositor who has proven a claim.

(f) Following the hearing on claims, the director or the director's designated representative shall make a determination as to the total proven storage and financial obligations due to depositors and the loss sustained by each depositor who has proven a claim. Depositors found to have proven their claims for storage or financial loss shall be proven claimants. In arriving at that loss, in accordance with section 19 of this chapter, the director shall apply all grain on hand or its identifiable proceeds to meet the licensee's obligations to grain depositors of grain of that type. Initial determinations of loss shall be made on the amount of grain on hand, or identifiable proceeds, and shall reduce the amount to which a depositor may have a proven claim. With respect to the remaining unfulfilled obligations, the director shall, for the sole purpose of establishing each depositor's claim under this chapter, establish a date upon which the loss is discovered, shall price the grain as of that date, shall treat all outstanding grain storage obligations not covered by grain on hand or identifiable proceeds as being sold as of that date, and shall determine the extent of each depositor's loss as being the actual loss sustained as of that date. Grain of a specific type on the premises of a licensee must first be applied to meet the licensee's storage obligations with respect to that type of grain. If there is insufficient grain of a specific type on hand to meet all storage obligations with respect to that type of grain, the grain that is present shall be prorated in accordance with the procedures described in this section and section 16.8 of this chapter. **The agency shall refer the licensee to the county prosecuting attorney if the licensee does not have the amount of grain in storage, at the time of the revocation of the license, that the records indicate should be in storage.**

(g) Upon the failure of the agency to begin an audit, which would



serve as the basis for a preliminary administrative determination, within forty-five (45) days of the agency's receipt of a written claim by a depositor, a depositor shall have a right of action upon the bond, letter of credit, or cash deposit. A depositor bringing a civil action need not join other depositors. If the agency has undertaken an audit within the forty-five (45) day period, the exclusive remedy for recovery against the bond, letter of credit, or cash deposit shall be through the recovery procedure prescribed by this section.

(h) When the proven claims exceed the amount of the bond, letter of credit, or cash deposit, recoveries of proven claimants shall be prorated in the same manner as priorities are prorated under section 16.8 of this chapter.

(i) The proceedings and hearings under this section may be undertaken without regard to, in combination with, or in addition to those undertaken in accordance with section 17.1 of this chapter.

(j) The findings of the director shall be final, conclusive, and binding on all parties.

~~(k) The director may adopt rules under IC 4-22-2 to determine how the agency may distribute the interest that may accrue from funds held by the agency for the payment of claims.~~

~~(†)~~ **(k)** A claim of a licensee for stored grain may not be honored until the proven claims of all other claimants arising from the purchase, storage, and handling of the grain have been paid in full.

~~(m)~~ **(l)** A claim is considered to be adjudicated if the claimant has:

- (1) agreed with the director's determination on the claim and not filed an appeal under IC 4-21.5-3; or
- (2) exhausted the claimant's administrative appeal and judicial review remedies.

~~(n)~~ **(m)** Subject to the requirements under this chapter, if one (1) or more claimants are not paid in full for the claimants' proven claims, the director shall forward to the Indiana grain indemnity fund board of directors a list of the claimants who are owed money and the ~~balance~~ **difference between the amount that the claimant was paid and the amount that the claimant claims to be due each claimant** along with a copy of the final order.

SECTION 26. IC 26-3-7-16.8, AS AMENDED BY P.L.145-2017, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 16.8. (a) A lien against all grain assets of a licensee or a person who is required to be licensed under this chapter attaches in favor of the following:

- (1) A lender or other claimant that has a receipt for grain owned or stored by the licensee.



(2) A claimant that has a ticket or written evidence, other than a receipt, of a storage obligation of the licensee.

(3) A claimant that surrendered a receipt as part of a grain sales transaction if:

(A) the claimant was not fully paid for the grain sold; and

(B) the licensee ~~failed~~ **has had the licensee's license revoked** less than twenty-one (21) days after the surrender of the receipt.

(4) A claimant that has other written evidence of a sale to the licensee of grain for which the claimant has not been fully paid.

(b) A lien under this section attaches and is effective at the earliest of the following:

(1) the delivery of the grain for sale, storage, or under a bailment;

(2) the commencement of the storage obligation; or

(3) the advancement of funds by a lender.

(c) A lien under this section terminates when the licensee discharges the claim.

(d) If a licensee has ~~failed~~, **had the licensee's license revoked**, the lien that attaches under this section is assigned to the agency by operation of this section. If a ~~failed~~ licensee **whose license has been revoked** is liquidated, a lien under this section continues to attach as a claim against the assets or proceeds of the assets of the licensee that are received or liquidated by the agency.

(e) Except as provided in subsection (h), if a licensee ~~has failed~~, **has had the licensee's license revoked**, the power to enforce the lien on the licensee's grain assets transfers by operation of this section to the director and rests exclusively with the director who shall allocate and prorate the proceeds of the grain assets as provided in subsections (g) and (i).

(f) The lien established under this section has priority over all competing lien claims asserted against the licensee's grain assets.

(g) The priority of a lien that attaches under this section is not determined by the date on which the claim arose. If a ~~licensee has failed~~, **licensee's license has been revoked**, the director shall enforce lien claims and allocate grain assets and the proceeds of grain assets of the licensee in the following order of priority:

(1) First priority is assigned to the following:

(A) A lender or other claimant that has a receipt for grain owned or stored by the licensee.

(B) A claimant that has a ticket or written evidence, other than a receipt, of a storage obligation of the licensee.

(C) A claimant that surrendered a receipt as part of a grain





sales transaction if:

- (i) the claimant was not fully paid for the grain sold; and
- (ii) the licensee ~~failed~~ **has had the licensee's license revoked** less than twenty-one (21) days after the surrender of the receipt.

If there are insufficient grain assets to satisfy all first priority claims, first priority claimants shall share pro rata in the assets.

(2) Second priority is assigned to all claimants who have written evidence of the sale of grain, such as a ticket, a deferred pricing agreement, or similar grain delivery contract, and who completed delivery less than thirty (30) days before the ~~licensee's failure-~~ **revocation of the licensee's license**. Claimants under this subdivision share pro rata in the remaining assets if all claimants under subdivision (1) have been paid but insufficient assets remain to fully satisfy all claimants under this subdivision.

(3) Third priority is assigned to all other claimants that have written evidence of the sale of grain to the ~~failed~~ **revoked license of the** licensee. Claimants under this subdivision share pro rata in the distribution of the remaining grain assets.

(h) If a claimant under this section brings an action to recover grain assets that are subject to a lien under this section and the agency does not join the action, the director shall, upon request of the claimant, assign the lien to the claimant in order to allow the claimant to pursue the claim to the extent that the action does not delay the resolution of the matter by the agency, the prompt liquidation of the assets, or the ultimate distribution of assets to all claimants.

(i) If:

(1) a claimant engaged in farming operations granted to one (1) or more secured parties one (1) or more security interests in the grain related to the claimant's claim under this section; and

(2) one (1) or more secured parties described in subdivision (1) have given to:

(A) the licensee prior written notice of the security interest under IC 26-1-9.1-320(a)(1) or IC 26-1-9-307(1)(a) before its repeal; and

(B) the director prior written notice of the security interest with respect to the grain described in subdivision (1) sufficient to give the director a reasonable opportunity to cause the issuance of a joint check under this subsection;

the director shall pay the claimant described in subdivision (1) the portion of the proceeds of grain assets under subsection (e) to which the claimant is entitled under this section by issuance of a check



payable jointly to the order of the claimant and any secured party described in subdivision (1) who has given the notices described in subdivision (2). If only one (1) secured party described in subdivision (1) is a payee, the rights of the secured party in the check shall be to the extent of the indebtedness of the claimant to the secured party. If two (2) or more secured parties described in subdivision (1) are payees, the nature, extent, and priority of their respective rights in the check are determined in the same manner as the nature, extent, and priority of their respective security interest under IC 26-1-9.1.

SECTION 27. IC 26-3-7-17.1, AS AMENDED BY P.L.145-2017, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 17.1. (a) Whenever the director, as a result of an inspection or otherwise, has reasonable cause to believe that a person to which this chapter is or may be applicable:

- (1) is conducting business contrary to this chapter or in an unauthorized manner; or
- (2) has failed, neglected, or refused to observe or comply with any order, rule, or published policy statement of the agency;

then the director may undertake any one (1) of the actions prescribed by this section.

(b) Upon learning of the possibility that a licensee is acting as described in subsection (a), the director or the director's designated representative may seek an informal meeting with the licensee. At that meeting, which ~~shall~~ **must** be held at a time and place agreed to by the licensee and the director, the director or the director's designated representative shall discuss the possible violations and may enter into a consent agreement with the licensee under which the licensee agrees to undertake, or to cease, the activities that were the subject of the meeting. The consent agreement ~~may~~ **must**:

- (1) provide for a time frame within which the licensee must be in compliance; **and**
- (2) **state in detail the requirements that must be met to be in compliance, including the requirements under section 31.2(b) of this chapter.**

(c) Upon learning of the possibility that a person is acting as described in subsection (a), the director or the director's designated representative, except as otherwise provided in this subsection, shall hold a hearing to determine whether a cease and desist order should issue against a licensee or an unlicensed person undertaking activities covered by this chapter. If the director or the director's designated representative determines that the violation or the prohibited practice is likely to cause immediate insolvency or irreparable harm to



depositors, the director or the director's designated representative, without notice, ~~may~~ **shall** issue a ~~temporary~~ cease and desist order requiring the person to cease and desist from that violation or practice. The order shall become effective upon service on the person and shall remain effective and enforceable pending the completion of all administrative proceedings.

(d) Upon a determination, after a hearing held by the director or the director's designated representative, that a person is acting as described in subsection (a), the director ~~may suspend~~, **shall** revoke or deny a license. If the director ~~suspends~~, revokes or denies a license, the director shall publish notice of the ~~suspension~~, revocation or denial as provided in section 17.5 of this chapter.

~~(e) If the director has reasonable cause to believe that a licensee is acting as described in subsection (a) and determines that immediate action without an opportunity for a hearing is necessary in order to safeguard depositors, the director may suspend a license temporarily without a hearing for a period not to exceed twenty (20) days. When a license is suspended without a hearing, the director or the director's designated representative shall grant an opportunity for a hearing as soon as possible.~~

SECTION 28. IC 26-3-7-17.5, AS AMENDED BY P.L.60-2015, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 17.5. (a) Whenever the license of a licensee is ~~suspended or~~ revoked, the director shall:

- (1) for each facility operated by the licensee, publish a public notice in a newspaper of general circulation that serves the county in which the facility is located; and
- (2) cause notice of the ~~suspension or~~ revocation to be posted at the facilities covered by the license.

(b) Whenever an application for licensure under this chapter is denied, the director may:

- (1) for each facility operated by the applicant, publish a public notice in a newspaper of general circulation that serves the county in which the facility is located; and
- (2) cause notice of the denial to be posted at the applicant's facilities.

(c) A notice posted under this section may not be removed without the written permission of the director.

~~(d) The director shall adopt rules under IC 4-22-2 to determine the content of the notices required by this section.~~

SECTION 29. IC 26-3-7-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 18. ~~(a)~~ When a license



is revoked, the licensee shall terminate in the manner prescribed by the director all arrangements covering the grain in the facility covered by the license, but shall be permitted, under the direction and supervision of the director or the director's designated representative, to deliver grain previously received.

~~(b) During any suspension of a license, the licensee may, under the direction and supervision of the director or the director's designated representative, operate the facility; but shall not incur any additional obligations to producers.~~

SECTION 30. IC 26-3-7-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 26. Every ticket issued shall embody within its terms:

- (1) the name of the licensee to whom the grain was delivered;
- (2) the date the grain was delivered;
- (3) exact information concerning the type, net weight, and grade factors of the grain received;
- (4) a statement that the grain described in the ticket is to be taken into storage, is being delivered on contract, or is to be sold under other arrangements;
- (5) the name of the owner of the grain; and
- (6) other provisions prescribed by the director.

~~The director may adopt rules under IC 4-22-2 to exempt certain types of grain from these requirements.~~

SECTION 31. IC 26-3-7-26.5, AS ADDED BY P.L.208-2021, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 26.5. (a) ~~Beginning after July 1, 2022~~; A licensee may not:

- (1) enter into a deferred pricing agreement in connection with grain purchases that extends beyond the crop year for the delivered grain; or
- (2) transfer the deferred pricing agreement to a new ~~contract~~ **deferred pricing agreement** beyond the crop year for the delivered grain.

~~(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.

(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 price grain for the initial deferred pricing agreement.

(d) If a licensee fails to price grain 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 price grain within sixty (60) days of the date of the notice in subsection (c), the director may 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.

SECTION 32. IC 26-3-7-27.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 27.5. (a) For purposes of this section, the following apply:**

(1) "Unencumbered assets" means a licensee's unencumbered assets as demonstrated by the agency's inspection of the licensee's books and records.

(2) "Unpaid balance of grain payables" means a licensee's unpaid balance of grain payables demonstrated by the agency's inspection of the licensee's books and records.

(b) If an on-premises inspection of a licensee's books and records demonstrates that the licensee, as of the time of the inspection, did not have unencumbered assets with a value at least equal to eighty-five percent (85%) of the unpaid balance of grain payables covered by each license held by the licensee, then:

(1) the director or the director's designated representative shall issue a notice of deficiency to the licensee; and

(2) the licensee shall cure the unencumbered asset deficiency within ninety (90) days from the receipt of the notice.

(c) Unencumbered assets may consist of the aggregate of any of the following:

(1) Company owned grain.

(2) Cash on hand.

(3) Cash held on account in federally or state licensed



financial institutions or in lending institutions of the Federal Farm Credit Administration.

(4) Investments held in time accounts with federally or state licensed financial institutions.

(5) Direct obligations of the United States government.

(6) Balances in grain margin accounts determined by marking to market.

(7) Balances due or to become due to the licensee on deferred pricing contracts.

(8) Marketable securities, including mutual funds.

(9) Irrevocable letters of credit that:

(A) comply with the requirements of this chapter; and

(B) are in addition to any letter of credit filed with the director to satisfy the deposit, bond, or other security requirements of this chapter.

(10) Deferred pricing contract service charges due or to become due to the licensee.

(11) Other evidence of proceeds from or of grain that is acceptable to the agency.

(12) Seed inventory.

(13) Other assets that the agency may include in rules adopted under section 38 of this chapter.

(d) If a licensee has more than one (1) license, the unencumbered assets at the time of the inspections under subsection (b) must have a value at least equal to the sum of the amounts required under subsection (b) for each individual license held by the licensee.

(e) If the licensee's demonstrated current unencumbered assets is less than or equal to eighty-five percent (85%) of the required amount or the licensee has not cured the unencumbered assets deficiency as required in subsection (b)(2), then the director shall hold an informal meeting in accordance with this chapter and, within thirty (30) days of the conclusion of the informal meeting, issue either:

(1) a consent agreement that requires the licensee to take certain actions within a set period, not to exceed twelve (12) months, to remedy the current unencumbered assets deficiency, as the director deems necessary and appropriate; or

(2) an order that revokes the license or licenses of the licensee.

(f) If a licensee, after an informal meeting in subsection (e):

(1) does not meet the requirements in subsection (e)(1), the



director shall revoke; or  
 (2) has an unencumbered asset deficiency that has continued to decline, the director may revoke;  
 the license or licenses of the licensee.

(g) Subject to section 31.8 of this chapter, the director shall assess a fine of one thousand dollars (\$1,000) on a licensee that does not maintain the unencumbered asset requirement under subsection (b).

(h) Nothing in this section precludes the agency from conducting an on-premises inspection of a licensee at any time the director may consider an inspection to be necessary or appropriate.

SECTION 33. IC 26-3-7-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 28. A licensee shall keep in a place of safety complete and correct records and accounts pertaining to the licensee's grain business. The licensee shall retain records and accounts for not less than ~~six (6)~~ **five (5)** years from the date of the final settlement of the transaction.

SECTION 34. IC 26-3-7-30, AS AMENDED BY P.L.64-2009, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 30. All receipt forms shall be supplied by the director except where the director, in writing, approves the form and gives permission to a warehouse operator to have receipts printed. Requests for receipts shall be on forms furnished by the director and shall be accompanied by payment to cover the estimated cost of printing, packaging, and shipping, as determined by the director. Where privately printed, the printer shall furnish the director an affidavit showing the amount of the receipts printed, and the serial numbers thereof. All receipts remaining unused shall be recovered by the director or the director's designated representative if the license required by this chapter is ~~terminated or suspended~~ **revoked**.

SECTION 35. IC 26-3-7-31, AS AMENDED BY P.L.145-2017, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 31. (a) Whenever it appears to the satisfaction of the director that a licensee cannot meet the licensee's outstanding grain obligations owed to depositors, or when a licensee refuses to submit the licensee's records or property to lawful inspection, the director ~~may~~ **shall** give notice to the licensee to do ~~any one (1) or more~~ of the following:

- (1) Cover the shortage with grain that is fully paid for.
- (2) Give additional bond, letter of credit, or cash deposit as required by the director.
- (3) Submit to inspection as the director may deem necessary.



(b) If the licensee fails to comply with the terms of the notice within five (5) business days from the date of its issuance, or within an extension of time that the director may allow, the director may petition the circuit court, superior court, or probate court of the Indiana county where the licensee's principal place of business is located seeking the appointment of a receiver. If the court determines in accordance with IC 32-30-5 that a receiver should be appointed, upon the request of the licensee the court may appoint the agency or its representative to act as receiver. The agency or its representative ~~shall~~ **may** not be appointed as receiver except upon the request of the licensee. If the agency or its representative is appointed, any person interested in an action as described in IC 32-30-5-2 may after twenty (20) days request that the agency or its representative be removed as receiver. If the agency or its representative is not serving as receiver, the receiver appointed shall meet and confer with representatives of the agency regarding the licensee's grain related obligations and, before taking any actions regarding those obligations, the receiver and the court shall consider the agency's views and comments.

(c) The director shall inform the corporation of any:

- (1) notice or order issued; or
- (2) action taken;

under this section.

SECTION 36. IC 26-3-7-31.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 31.2. (a) If the director determines that an informal meeting under this chapter is necessary or appropriate, the following procedures apply:**

**(1) The director shall send a notice of an informal meeting to the licensee. The notice shall set forth the following:**

- (A) Each reason underlying the director's determination that an informal meeting is necessary.**
- (B) The subject matter to be discussed at the informal meeting.**
- (C) A place and time mutually agreed upon, within thirty (30) days of the date of the notice.**
- (D) If appropriate, any documents, information, or other materials to be produced in a manner and at a time and place designated in the notice.**

**(2) The director and the recipient may, at any time before an informal meeting, hold a telephone conference or other informal discussion as necessary to determine the location, date, and time of the informal meeting.**





**(3) An informal meeting under this section must be conducted in person or via a virtual conference with audio, video, and the ability to share, review, and edit documents or other materials in real time.**

**(4) Minutes summarizing the topics and points discussed, including proposed agreements or remedial actions raised or discussed by the informal meeting participants, must be taken by the agency. A copy of the minutes and any other materials from the informal meeting must be distributed to all participants within five (5) days of the informal meeting.**

**(b) A consent agreement may be entered into by the agency and the licensee in which the licensee agrees to take or refrain from certain actions in relation to the subject matter of the informal meeting. Any consent agreement at a minimum must contain the following:**

**(1) Specific description of the underlying facts giving rise to the consent agreement.**

**(2) Specific steps to be taken by the licensee to rectify or address the subject matter of the informal meeting.**

**(3) Specific deadlines or periods by or within which the licensee is to act, refrain from acting, or perform under the consent agreement.**

**(4) Specific deadlines by which the licensee is to notify the agency that the licensee has performed, in whole or in part, under the consent agreement and, as applicable, that the licensee believes it has addressed the subject matter of the informal meeting.**

**(5) Specific acts or omissions that will constitute a breach of the agreement and specific remedies available to the agency and the licensee to address a breach of the agreement.**

**(c) The existence and content of an informal meeting under subsection (a), along with the minutes of the meeting and any other related documents, information, or material, and a consent agreement under subsection (b) is confidential.**

**(d) Any offers or discussions from an informal hearing under subsection (a) are protected under the Indiana Trial Rules of Evidence Trial Rule 408.**

**SECTION 37. IC 26-3-7-31.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 31.6. (a) The director may revoke a license by issuing a revocation order upon notice.**

**(b) If a license is revoked under this chapter, the licensee shall:**



**(1) Immediately cease all activities covered by the revoked license.**

**(2) Immediately remove all public indications regarding the existence or effectiveness of the revoked license, including the copy of the license physically on display at a facility.**

**(3) Promptly turn over and deliver to the director or the director's designated representative all books, records, and other property related to or containing information on the activities and any obligations covered by the revoked license.**

**(4) Comply with any additional terms and conditions determined by the director that the revocation order imposes on the licensee.**

**(5) Comply with the orders from the director respecting the revoked license, any obligations or activities covered by the revoked license, or the claims administration process.**

**(c) Notwithstanding anything to the contrary in this chapter, a license shall be revoked automatically if the licensee has done any of, and as of the respective dates or times of, the following:**

**(1) Has filed a voluntary bankruptcy petition under Chapter 7 of the federal Bankruptcy Code, as of the date the licensee filed the petition.**

**(2) Has filed:**

**(A) a voluntary bankruptcy petition under Chapter 11, 12, or 13 of the federal Bankruptcy Code; and**

**(B) within seven (7) days of the filing of the petition, either:**

**(i) a liquidating plan not predicated or premised on a prior sale process under Chapter 3 of the federal Bankruptcy Code; or**

**(ii) an affidavit of an owner, member, director, officer, or executive of the licensee stating that the licensee intends to propose a liquidating plan without first conducting a sale process under Chapter 3 of the federal Bankruptcy Code;**

**as of the date the licensee filed the liquidating plan or affidavit.**

**(3) Is the subject of an involuntary bankruptcy petition if the bankruptcy court has entered an order for relief against the licensee, as of the date and time of the order for relief.**

**(4) Is the subject of a receivership order in any state court, as of the date and time of the receivership order.**

**(5) Is the assignor in an assignment for the benefit of creditors in any state court, as of the date and time of the filing of**



pleading initiating the proceeding.

(6) Is declared by any court of competent jurisdiction to be insolvent, as of the date and time of the order so declaring.

(7) Has entered into an agreement obligating the licensee to discontinue and liquidate its business, or the portion of its business covered by the license, without legal or equitable proceedings, as of the effective date of the agreement.

(8) Has stated publicly and in writing that it is in the process of discontinuing its business, or the portion of its business covered by the license, or will be liquidating immediately, as of the date and time the writing is published or made widely available.

SECTION 38. IC 26-3-7-31.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 31.8. (a) If a fine is assessed under this chapter, the director shall issue a notice to the person or licensee containing the following:**

(1) The reasons the director assessed the fine, including citations to the applicable provisions of this chapter under which the fine has been assessed.

(2) The amount of the assessed fine.

(3) The requirement that the assessed fine must be fully paid within thirty (30) days of the notice being sent.

(4) The manners of payment acceptable to the agency and any other necessary payment instructions.

(5) A full copy of this section.

(b) If a person or licensee fails to pay the assessed fine under this section, the director may apply any penalty authorized in this chapter, including revocation of a license.

SECTION 39. IC 26-3-7-32.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 32.5. If the director or the director's designated representative is required or permitted to give notice under this chapter, the notice must contain, in addition to information or content required to be included in the notice under this chapter requiring or establishing the notice:**

(1) The date on which the notice is issued.

(2) The full name and contact information, including telephone number and electronic mail address, for the director, the director's designated representative, or the other employee or agent of the agency responsible for the notice.

(3) The full name and contact information, as available to the



agency, for the recipient of the notice.

(4) The reasons for the notice, including the applicable sections of this chapter under which the fine has been assessed.

(5) Any deadlines or other times within which the recipient of the notice may or must act under this chapter.

(6) A list of each person to whom the notice is being sent.

(7) A list of any enclosures included with the notice.

(8) The signature of the director, the director's designated representative, or the other employee or agent of the agency responsible for the notice.

SECTION 40. IC 26-3-7-34, AS AMENDED BY P.L.158-2013, SECTION 295, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 34. (a) A person who knowingly or intentionally violates or fails to comply with this chapter commits a Class A misdemeanor. Each day a person violates this chapter constitutes a separate violation.

(b) A person who knowingly or intentionally issues a receipt or ticket, knowing that the grain for which the receipt or ticket is issued has not been actually received at the licensed warehouse, commits a Class A misdemeanor. A person who issues a duplicate, or additional negotiable receipt for grain, knowing that a former negotiable receipt for the same grain or any part of the grain is outstanding and uncanceled, except in the case of a lost, stolen, or destroyed receipt, as provided in section 24 of this chapter, commits a Class A misdemeanor. A person who fraudulently represents, alters, or counterfeits any license provided for in this chapter commits a Level 6 felony.

(c) Except in case of sale or other disposition of the grain in lawful enforcement of the lien on grain that attaches under this chapter or on a licensee's lawful termination of storage, shipping, or handling agreements, or except as permitted by the rules adopted by the director under ~~IC 4-22-2~~ **section 38 of this chapter** to effectuate the purposes of this chapter:

(1) a person who knowingly or intentionally delivers grain out of a licensed facility, knowing that a negotiable receipt, the negotiation of which would transfer the right of possession of the grain is outstanding and uncanceled, without obtaining the possession of the receipt at or before the time of delivery, commits a Level 6 felony; and

(2) a person who knowingly or intentionally delivers grain out of a licensed facility, knowing that a non-negotiable receipt or ticket



is outstanding and uncanceled, without the prior written approval of the person lawfully entitled to delivery under the non-negotiable receipt or ticket and without delivery being shown on the appropriate records of the licensee, commits a Level 6 felony.

(d) A person who fraudulently issues a receipt, a ticket, or a weight or grade certificate, knowing that it contains a false statement, or who issues a receipt for grain owned solely or jointly by the person and does not state the fact of the person's ownership in the receipt, commits a Class A misdemeanor.

(e) A person who recklessly changes a receipt or ticket subsequent to issuance, except for notation by the licensee of partial delivery, commits a Class B misdemeanor.

(f) A person who knowingly or intentionally deposits grain to which the person does not have title or upon which there is a lien or mortgage and who accepts for the grain a receipt or ticket, without disclosing the lack of title or the existence of the lien or mortgage, commits a Level 6 felony.

(g) A person commits a Class A misdemeanor who knowingly or intentionally:

(1) engages in the business of being a grain buyer or operates a warehouse without a valid license issued by the director;

(2) engages in the business of being a grain buyer or operates a warehouse without a sufficient cash deposit, letter of credit, or surety bond on file with and in a form approved by the director; or

(3) engages in the business of being a grain buyer or operates a warehouse while in violation of the rules adopted by the director.

(h) A person commits a Class A misdemeanor who willfully makes or causes to be made a false entry or statement of fact in an application or report filed with the director.

~~(i) A person who is not in compliance with section 3(a)(11) of this chapter may be subject to a fine imposed by the agency of not more than twenty thousand dollars (\$20,000); or the suspension of the grain buyer's license for not more than five (5) years; or both.~~

~~(j) (i)~~ The director may ~~suspend~~ or revoke the license of a licensee that uses an unlicensed facility to store or handle grain or commits another violation of this chapter.

**(j) The agency shall report a licensee that is suspected of a criminal violation under this chapter to the county prosecuting attorney or the attorney general.**

SECTION 41. IC 26-3-7-38 IS ADDED TO THE INDIANA CODE



AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 38. The director or agency may adopt rules under IC 4-22-2 to carry out the purposes and intent of this chapter, including the following:**

- (1) Inspections permitted under this chapter.**
- (2) The receipt and retention of cash deposits.**
- (3) The distribution of interest that may accrue from funds held by the agency for the payment of claims.**
- (4) Acceptable terms for letters of credit.**
- (5) Fines for violations of this chapter.**

SECTION 42. IC 26-3-7-39 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 39. The office of the attorney general shall provide legal assistance to the division as requested by the director, including representation for petition for reviews filed under IC 4-21.5.**

SECTION 43. IC 26-3-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

**Chapter 7.5. Inspection of Grain Moisture Testing Equipment**

**Sec. 1. As used in this chapter, "agency" refers to the Indiana grain buyers and warehouse licensing agency.**

**Sec. 2. As used in this chapter, "director" means the director of the Indiana grain buyers and warehouse licensing agency.**

**Sec. 3. The director or the director's designated representative shall, at least one (1) time each year, inspect and test all equipment used to test the moisture content of grain purchased from producers.**

**Sec. 4. Each piece of equipment that is tested under this chapter and found to be accurate according to rules or standards prescribed by the United States Department of Agriculture and the agency must bear a seal issued by the office of the director that contains the following information:**

- (1) A statement that the equipment has been tested for accuracy.**
- (2) The date of inspection.**
- (3) The expiration date of the seal.**

**Sec. 5. If an inspection facilitated by the agency results in a failure in a moisture meter, the inspected entity must take the following actions:**

- (1) Have the failed meter calibrated by an entity accepted by the agency.**



(2) File a receipt with the agency showing the inspected entity has corrected the failed moisture meter.

(3) Receive approval from agency.

Sec. 6. (a) The director or the director's designated representative shall charge each inspection site a two hundred dollar (\$200) fee for each moisture testing device inspected at the inspection site under this chapter.

(b) All fees collected under this section must be deposited in the grain buyers and warehouse licensing agency license fee fund established by IC 26-3-7-6.3.

Sec. 7. The agency may:

- (1) employ persons;
- (2) make expenditures;
- (3) require reports and records;
- (4) make investigations; and
- (5) take other action;

that the agency considers necessary or suitable for the proper administration of this chapter.

Sec. 8. (a) The agency may adopt rules under IC 4-22-2 to administer this chapter.

(b) A copy of this chapter and the rules adopted under this chapter must be posted in a conspicuous manner at every commercial grain buying site.

Sec. 9. A person who recklessly uses equipment:

- (1) to ascertain the moisture of grain in the process of commercial buying or selling of grain; and
- (2) that does not bear the seal required by section 4 of this chapter;

commits a Class B misdemeanor.

SECTION 44. IC 26-4-1-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3.5. "Basis" means the difference between the flat price contract and a specified futures price of the same or a related commodity.

SECTION 45. IC 26-4-1-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3.7. "Basis contract" means an agreement that establishes the difference between the flat price contract and a specified futures price of the same or a related commodity.

SECTION 46. IC 26-4-1-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4.5. "Claim" means a claim that has been vetted



through the agency process under IC 26-3-7-16.5 where the claimant has provided the agency with documentation of the financial loss the claimant has experienced minus any payments made to the claimant regarding said loss.

SECTION 47. IC 26-4-1-5, AS AMENDED BY P.L.75-2010, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. "Claimant" means a producer that:

- (1) is a participant in the grain indemnity program;
- (2) possesses a claim resulting from a ~~failure~~ **the revocation of a license** of a licensed grain buyer or warehouse; and
- (3) ~~has a claim that has been adjudicated by the agency under IC 26-3-7-16.5;~~ **can provide written documented proof of the type of loss and price at which the financial loss was calculated.**

SECTION 48. IC 26-4-1-8.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 8.1. "Deferred pricing" means a purchase by a buyer where title to the grain passes to the buyer, in which the actual dollar price to be paid to the seller is not to be determined at the time the grain is received by the buyer or less than twenty-one (21) days of that receipt.

SECTION 49. IC 26-4-1-10 IS REPEALED [EFFECTIVE JULY 1, 2025]. Sec. 10: "Failed" or "failure" means any of the following:

- (1) An inability of a licensee to financially satisfy fully all obligations due a claimant;
- (2) A public declaration of a licensee's insolvency;
- (3) The nonpayment of a licensee's debts in the ordinary course of business if there is not a good faith dispute;
- (4) Revocation or suspension of a licensee's license, if the licensee has outstanding indebtedness owed to claimants;
- (5) Voluntary surrender of a licensee's license, if the licensee has outstanding indebtedness to claimants;
- (6) Involuntary or voluntary bankruptcy of a licensee;

SECTION 50. IC 26-4-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 11. "Financial loss" means a loss resulting from **the following**:

- (1) A producer not being fully paid for grain that has been delivered and sold to a grain buyer, net of any outstanding charges against the grain.
- (2) **Storage loss.**

SECTION 51. IC 26-4-1-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS





[EFFECTIVE JULY 1, 2025]: **Sec. 11.5. "Flat price contract" means a contract that sets a fixed price for a specific delivery requirement, where the price is determined by adding the basis to the futures price of the same commodity, which is set before the futures contract expires.**

SECTION 52. IC 26-4-1-13, AS AMENDED BY P.L.208-2021, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: 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(28)~~). **IC 26-3-7-2(30)**). The term does not include canning crops for processing or sweet corn.

SECTION 53. IC 26-4-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 15. "Grain indemnity program" means the system created by this article ~~to have in which the board pay~~ **pays** money out of the fund to producers having **financial** losses due to a ~~failure~~: **license revocation**.

SECTION 54. IC 26-4-1-15.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 15.7. "Outstanding charges" and "credits and offsets" include the following:**

- (1) Moisture discounts and drying charges.**
- (2) Foreign material discounts and quality discounts.**
- (3) Storage charges.**
- (4) Deferred pricing charges.**
- (5) Marketing checkoffs.**
- (6) All other deductions from the gross amount due to the producer on the sale of grain.**

SECTION 55. IC 26-4-1-19.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 19.3. "Revocation of a license" has the meaning set forth in IC 26-3-7-2.**

SECTION 56. IC 26-4-1-19.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 19.7. "Storage" has the meaning set forth in IC 26-3-7-2.**

SECTION 57. IC 26-4-1-20, AS AMENDED BY P.L.75-2010, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 20. "Storage loss" means a loss to a storage depositor resulting from a ~~failed~~ warehouse operator:

- (1) whose license has been revoked; and**
- (2) who has not fully ~~satisfying~~ satisfied the warehouse operator's**



storage obligation to the depositor, net of any outstanding charges against the grain.

SECTION 58. IC 26-4-1-23, AS AMENDED BY P.L.75-2010, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 23. "Warehouse" means any building or other protected enclosure in one (1) general location that is licensed or required to be licensed under IC 26-3-7, **which building or other protected enclosure is operated under one (1) ownership and run from a single office, and** in which grain is or may be:

- (1) stored for hire;
- (2) used for grain bank storage; or
- (3) used to store company owned grain.

~~and the building or other protected enclosure is operated under one (1) ownership and run from a single office.~~

SECTION 59. IC 26-4-3-2, AS AMENDED BY P.L.208-2021, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: 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 designate a representative;

to serve on the board.

**(e) At an annual meeting of the board, to be held in July, the members of the board shall elect a chairperson and vice chairperson. The chairperson and vice chairperson must be voting members and serve for a one (1) year term. The chairperson and vice chairperson may be reelected for subsequent one (1) year terms for a maximum of two (2) years in an eight (8) year period.**

**(f) The chairperson shall lead the meetings of the board. When the chairperson is not available the vice chairperson shall lead the meetings of the board. If neither the chairperson nor vice chairperson is present, the chairperson may designate a voting member of the board to lead the meeting.**

SECTION 60. IC 26-4-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4. (a) Except as provided in subsection (b), six (6) voting members constitute a quorum. The affirmative votes of at least six (6) voting members **who are present in person** are necessary for any action to be taken by the board.

(b) A meeting may be adjourned by less than six (6) members.

SECTION 61. IC 26-4-3-7, AS AMENDED BY P.L.208-2021, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 7. **(a)** The board shall do the following:

(1) Adopt rules, create forms, and establish guidelines to implement this article.

(2) Collect and deposit all producer premiums authorized under IC 26-4-4-4 into the fund for investment by the board.

(3) Require reports from the agency regarding the financial status of a licensee, while the board is in executive session and without disclosing the name or any other identifying information of the licensee, including the following:

(A) Whether there is a risk that a licensee may ~~fail~~ **have the licensee's license revoked.**

(B) The financial impact to the fund if a licensee identified in clause (A) were to ~~fail~~ **have the licensee's license revoked.**

(C) The estimated number of potential claimants that could result from the ~~failure~~ **revocation of a license** of a licensee



identified in clause (A).

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

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

(4) Initiate any action it may consider necessary to compel the grain buyer against whom an awarded claim arose to repay to the fund the sums that are disbursed from the fund in relation to each claim.

(5) Initiate any action it may consider necessary to compel the claimant whose claim arose due to ~~a failure~~ **the revocation of a license** to participate in any legal proceeding, **investigation, or questioning by the board** in relation to the claim.

(6) Within five (5) business days of receiving notice of ~~failure~~ **the revocation of a license** of a grain buyer, publish notice of the ~~failure~~ **revocation** in a manner described in IC 5-3.

**(7) When a claim is made against the fund, hire a manager or management firm, that is not associated with or related to any member of the board, to assist board members in developing agendas, assisting in determining claims made against the fund, presenting the evidence of claims made by the agency, presenting claim information to the board, and other duties determined by the board.**

**(8) Seek independent legal advice when negotiating settlement of claims made against the fund when a claimant does not agree with the amount decided by the board as a fair amount for claims made.**

**(9) Determine whether claims made by producers are legitimate and backed by credible supporting documentation.**

**(10) Deny payments to claimants refusing to produce requested documentation or participate in investigations by the board.**

**(11) With the approval of the majority of the board, make payment from the fund when the payment is necessary for the purpose of compensating claimants under IC 26-4-6.**

**(12) Have subpoena power for credible documentation of losses requested to be paid to claimants by the fund.**

**(b) At the request of the chairperson, the agency shall provide administrative support to the board.**

SECTION 62. IC 26-4-3-8.5, AS ADDED BY P.L.208-2021,

SEA 461 — Concur



SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 8.5. **(a) A board member may not discuss any pending claim or potential claim except with another board member, at a board meeting, including at an executive session of the board.**

**(b)** If a board member reasonably believes that a conflict of interest exists with respect to the exercise of the board member's official duties in a particular case, the board member:

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

SECTION 63. IC 26-4-3-9, AS AMENDED BY P.L.208-2021, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 9. (a) The corporation may do or shall have any of the following:

- (1) Perpetual succession by its corporate name as a corporate body.
- (2) Adopt and make use of an official seal and alter the same at pleasure.
- (3) Adopt, amend, and repeal bylaws consistent with the provisions of this article for the regulation and conduct of the corporation's affairs and prescribe rules and policies in connection with the performance of the corporation's functions and duties.
- (4) Use the services of the agency, **the Indiana state department of agriculture**, and the attorney general when considered necessary in the execution of the duties of the board.
- (5) Accept gifts, devises, bequests, grants, loans, appropriations, revenue sharing, other financing and assistance, and any other aid from any source and agree to and comply with any attached conditions.
- (6) Procure insurance against any loss in connection with its operations in the amounts and from the insurers as it considers necessary or desirable.
- (7) Borrow money from a bank, an insurance company, an investment company, or any other person. The corporation may negotiate the terms of a loan contract. The contract must provide for repayment of the money in not more than forty (40) years and that the loan may be prepaid. The loan contract must plainly state that it is not an indebtedness of the state but constitutes a corporate obligation solely of the corporation and is payable solely from revenues of the corporation or any appropriations from the state that might be made to the corporation for that



purpose.

(8) Include in any borrowing amounts considered necessary by the corporation to pay financing charges, interest on the obligations, consultant, advisory, and legal fees, and other expenses necessary or incident to such borrowing.

(9) Employ personnel as may be required in the judgment of the corporation, and fix and pay compensation from money available to the corporation from the administrative expenses account.

(10) Make, execute, and carry out any and all contracts, agreements, or other documents with any governmental agency or any person, corporation, limited liability company, association, partnership, or other organization or entity necessary or convenient to accomplish the purposes of this article.

~~(11) Upon the request of the director of the agency and the approval of the board, make payment from the fund when the payment is necessary for the purpose of compensating claimants in accordance with the provisions of IC 26-4-6.~~

~~(12)~~ (11) Have powers necessary or appropriate for the exercise of the powers specifically conferred upon the corporation and all incidental powers customary in corporations.

~~(13)~~ (12) May require a study of fund solvency, practices, and procedures from a third party of the fund as needed.

~~(14)~~ (13) Pay legal fees and legal expenses in actions brought against the corporation or board.

(b) The corporation or the board may use the services of a person other than the attorney general to collect money owed to the fund or to litigate claims concerning money owed to the fund.

SECTION 64. IC 26-4-4-1, AS AMENDED BY P.L.60-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. (a) The Indiana grain indemnity fund is established for the purpose of providing money to pay producers for losses incurred due to the **failure revocation of a license** of a grain buyer or warehouse operator licensed under IC 26-3-7. The fund shall be administered by the board of the corporation.

(b) The fund consists of money collected under this chapter.

(c) The fund shall operate on a fiscal year of July 1 to June 30.

SECTION 65. IC 26-4-4-2, AS AMENDED BY P.L.208-2021, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. (a) The administrative expense account is created within the fund.

(b) The expenses of administering the fund and paying administrative expenses must be paid from money in the administrative



expense account.

(c) The board may transfer annually not more than three hundred fifty thousand dollars (\$350,000) from the fund to the administrative expense account.

(d) Administrative expenses under this section may include:

- (1) processing refunds;
- (2) enforcement of the fund;
- (3) record keeping in relation to the fund;
- (4) the ordinary management and investment fees connected with the operation of the fund;
- (5) a study of fund solvency, practices, and procedures;
- (6) a performance review of the agency's auditing practices and procedures;
- (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~~
- (10) the use of supplemental consulting services;
- (11) hiring a manager or a management firm;**
- (12) hiring legal counsel or seeking legal consultation; and**
- (13) paying legal fees and legal expenses in an action brought against, or by, the corporation or board and that have been approved by the board.**

(e) The agency may not use money in the administrative expense account for expenses other than the expenses described in subsection (d).

SECTION 66. IC 26-4-4-4, AS AMENDED BY P.L.145-2017, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4. (a) Except as provided in section 8 of this chapter, beginning on July 1, 2015, the producers of grain shall be charged a producer premium equal to two-tenths percent (0.2%) of the price on all marketed grain that is sold to a first purchaser licensee.

(b) The producer premiums required under this section are in addition to any other fees or assessments required by law.

**(c) The amount of the producer premium must be calculated using the gross sales price of the grain, including all premiums and discounts for moisture, quality, variety, or any other characteristic of the grain. The producer premium must be calculated before the**



**deduction of marketing assessments, storage, drying, cleaning, or any other service charge.**

SECTION 67. IC 26-4-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 6. (a) When purchasing grain, a grain buyer, a grain buyer's agent, or a grain buyer's representative shall:

- (1) deduct the producer premium described in section 4 of this chapter from the producer's payment; and
- (2) document the producer premium paid by the producer.

(b) A grain buyer shall submit producer premiums collected under subsection (a) to the board for the purpose of financing or contributing to the financing of the fund by:

- (1) October 31 for producer premiums collected during the months of July, August, and September;
- (2) January 31 for producer premiums collected during the months of October, November, and December;
- (3) April 30 for producer premiums collected during the months of January, February, and March; and
- (4) July 31 for producer premiums collected during the months of April, May, and June.

**Each grain buyer shall, in accordance with the time frame set forth in this subsection, remit to the corporation the producer premium along with the remittance form provided by the corporation and completed by the grain buyer.**

SECTION 68. IC 26-4-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 7. (a) The:

- (1) books and records of each grain buyer must clearly indicate the producer premiums collected by the grain buyer; and
- (2) portion of the books and records reflecting the premiums collected must be open for inspection by the corporation, board, board's authorized agents, director, or the director's ~~designee~~ **designated representative** during regular business hours.

**(b) Each grain buyer shall keep accurate and correct records of grain purchased from producers documenting the producer premiums paid by producers. The records must be maintained by the grain buyer for a period of five (5) years from the date of remittance of the producer premiums to the corporation. The records must be available to authorized agents of the corporation during normal business hours.**

~~(b)~~ (c) The corporation, board, board's authorized agent, director, or the director's ~~designee~~ **designated representative** may take steps reasonably necessary to verify the accuracy of the portion of a grain





buyer's books and records that reflect the premiums collected. The information obtained under this section is confidential for purposes of IC 5-14-3-4(a)(1). Unless otherwise required by judicial order, the information obtained under this section may be disclosed only to parties empowered to see or review the information. The corporation, board, or director may respond to inquiries or disclose information obtained under this section only in accordance with guidelines set forth in IC 26-3-7-6.5.

~~(c)~~ **(d)** Notwithstanding subsections (a) and ~~(b)~~; **(c)**, the verification permitted under subsection ~~(b)~~ **(c)** must be completed by the agency unless two-thirds (2/3) of the board vote to have the verification completed by an independent auditor.

SECTION 69. IC 26-4-4-8, AS AMENDED BY P.L.60-2015, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 8. (a) The producer premiums required under section 4 of this chapter must be collected until the fund contains more than twenty-five million dollars (\$25,000,000), as of June 30 of any given year.

(b) Except as provided in subsection (c), after the fund reaches twenty-five million dollars (\$25,000,000), the board may not require the collection of additional producer premiums until the amount in the fund drops below twenty million dollars (\$20,000,000), as determined under section 9 of this chapter. In a year when the board determines that the fund is at or below twenty million dollars (\$20,000,000), the board shall reinstate the collection described in this chapter.

(c) The board shall reinstate the collection described in this chapter if as of May 1:

- (1) the fund contains at least twenty million dollars (\$20,000,000);
- (2) the board is aware of ~~a failure~~ **the revocation of a license of a grain buyer; licensee;** and
- (3) the amount of compensation from the fund to cover producers' claims, as determined by the board, is equal to or greater than the amount of money in the fund.

**(d) Collections must occur from September 1 through August 30 any year collections are made.**

SECTION 70. IC 26-4-5-1, AS AMENDED BY P.L.145-2017, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. (a) A producer upon and against whom a producer premium is charged and collected under the provisions of this chapter may demand of and by complying with this chapter receive from the fund through the board a refund of the producer premiums



collected from the producer.

(b) The board shall develop the form on which a demand for a refund must be filed. The board shall make the form available to grain buyers, producers, and the public upon request.

(c) Except as provided in subsection (d), a demand for a refund under this section is only valid if:

- (1) made in writing and:
  - (A) hand delivered; or
  - (B) sent by first class mail;
    - to the board; and
- (2) delivered or sent to the board not more than twelve (12) months after the premium was collected.

(d) The board may for good cause grant an extension for filing a demand for a refund under this chapter.

(e) A producer that requests and receives a refund under this section after June 30, 2015, is not protected and will not be compensated by the grain indemnity program. The board may not consider any refunds claimed before July 1, 2015, in determining whether a producer is covered by the fund.

**(f) A producer who requests a refund of producer premiums paid is not eligible to be a claimant as of the date the refund check is issued to the producer by the board.**

⊕ (g) Before January 1 of each year in which producer premiums were collected during the immediately preceding calendar year, the board shall send a notice to each producer who requested a refund of producer premiums in any previous year. The notice must inform the producer of the time frame in which a request for a refund must be made and the method of filing for a refund.

SECTION 71. IC 26-4-5-2, AS AMENDED BY P.L.145-2017, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. (a) A producer who has received a refund of a producer premium under section 1 of this chapter after June 30, 2015, and has made a request for reentry may reenter the grain indemnity program if the following conditions are satisfied:

- (1) The producer petitions the board for approval of reentry into the grain indemnity program by hand delivering or sending by certified mail, return receipt requested, a written request in a form required by the board.
- (2) The board reviews the producer's petition for reentry and approves the petition.
- (3) The producer pays into the fund:
  - (A) all previous producer premium refunds; and



(B) interest on the refunds;  
as determined by the board.

(b) A producer that reenters the grain indemnity program under subsection (a)(3) is protected by the program from the time all previous producer premium refunds that were claimed after June 30, 2015, and interest on the refunds, are paid to the fund.

(c) A producer who reenters the grain indemnity program may not make a claim on the fund that arises from ~~a failure~~ **the revocation of a license** that occurs ~~before~~ **until six (6) months after** the producer meets the requirements for reentry described in subsection (a).

SECTION 72. IC 26-4-5-4, AS ADDED BY P.L.145-2017, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4. The board, in coordination with the agency, shall develop educational information to be made available electronically to producers, grain buyers, and warehouse operators, explaining the following:

- (1) The purpose of the fund.
- (2) How the fund is operated.
- (3) An explanation of coverage under the program, including the duration of coverage and limits on losses.
- (4) The process for claiming a refund.
- (5) The process for reentering the program.
- (6) Where a producer may locate information about the producer's status in the program.
- (7) Materials explaining normal industry marketing terms and the terms meanings.**

SECTION 73. IC 26-4-6-3, AS AMENDED BY P.L.75-2010, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. (a) Except as provided in subsection (b), within ninety (90) days of the board's approval of a claim, the board shall compensate from the fund, in an amount described in section 4 of this chapter and in the manner described in subsection (c), a claimant who has incurred a financial loss or storage loss due to ~~a failure~~ **the revocation of a license** of a grain buyer or warehouse operator licensed under IC 26-3-7.

(b) The time for payment may be extended if the board and claimant mutually agree and put the terms of the payment in writing.

(c) If:

- (1) a claimant engaged in farming operations granted to one (1) or more secured parties one (1) or more security interests in the grain related to the claimant's claim under this section; and
- (2) one (1) or more secured parties described in subdivision (1)



have given to:

(A) the licensee prior written notice of the security interest under IC 26-1-9.1-320(a)(1) or IC 26-1-9-307(1)(a) before its repeal; and

(B) the board prior written notice of the security interest with respect to the grain described in subdivision (1) sufficient to give the board a reasonable opportunity to cause the issuance of a joint check under this subsection;

the board may compensate the claimant described in subdivision (1) in the amount to which the claimant is entitled under section 4 of this chapter by causing the issuance of a check payable jointly to the order of the claimant and any secured party described in subdivision (1) who has given the notices described in subdivision (2). If only one (1) secured party described in subdivision (1) is a payee, the rights of the secured party in the check shall be to the extent of the indebtedness of the claimant to the secured party. If two (2) or more secured parties described in subdivision (1) are payees, the nature, extent, and priority of their respective rights in the check are determined in the same manner as the nature, extent, and priority of their respective security interest under IC 26-1-9.1.

SECTION 74. IC 26-4-6-4, AS AMENDED BY P.L.145-2017, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4. (a) A claimant who has incurred a storage loss due to the ~~failure~~ **revocation** of a warehouse operator ~~licensed license~~ under IC 26-3-7 is entitled to be compensated by the board from the fund for one hundred percent (100%) of the storage loss incurred less all credits and offsets and any producer premium that would have been due on the sale of the grain. The gross amount of the storage loss shall be as determined by the agency for warehouses licensed under IC 26-3-7 or by the United States Department of Agriculture for warehouses licensed under the United States Warehouse Act. The warehouse operator, **agency**, and claimants may submit to the **agency board** evidence related to outstanding charges against stored grain. If the evidence is submitted, the agency shall determine the storage loss payable by the board. **However, the outstanding charges may not include uncollected storage charges.**

(b) **Before a storage loss may be paid, the producer must provide to the board evidence that storage fees were paid to the facility for the time during which the grain was stored. The board shall use the following minimum storage fees to determine the storage loss:**

(1) **Barley and barley seed: Five cents (\$0.05) per month, per**



bushel.

(2) Canola and canola seed: Five cents (\$0.05) per month, per bushel.

(3) Corn and corn seed: Five cents (\$0.05) per month, per bushel.

(4) Lentils and lentil seed: Five cents (\$0.05) per month, per bushel.

(5) Oats and oat seed: Five cents (\$0.05) per month, per bushel.

(6) Popcorn and popcorn seed: Ten cents (\$0.10) per month, per bushel.

(7) Rye and rye seed: Five cents (\$0.05) per month, per bushel.

(8) Sorghum and sorghum seed: Five cents (\$0.05) per month, per bushel.

(9) Soybeans and soybean seed: Fifteen cents (\$0.15) per month, per bushel.

(10) Sunflower and sunflower seed: Five cents (\$0.05) per month, per bushel.

(11) Wheat and wheat seed: Five cents (\$0.05) per month, per bushel.

(12) All other field crops and other field crop seed: Five cents (\$0.05) per month, per bushel.

~~(b)~~ (c) A claimant who has incurred a financial loss due to the ~~failure~~ **revocation of a license** of a grain buyer is entitled to be compensated by the board from the fund for eighty percent (80%) of the loss incurred less all credits and offsets and any producer premium that should have been due on the sale of the grain. The ~~agency~~ **board** shall determine the loss incurred in the following manner:

(1) For grain that has been priced, the loss shall be the value of the priced grain less any outstanding charges against the grain.

(2) For grain sold to a grain buyer, **where the title to the grain has passed to the grain buyer**, who is also a warehouse operator and that has not been priced, the loss shall be established using the price determined for the storage obligations.

(3) For grain sold to a grain buyer who is not a warehouse operator and that has not been priced, the loss shall be established using a price determined by the agency using the same procedures used by the agency to determine the price at the warehouse.

~~(c)~~ (d) If a producer appeals under IC 4-21.5-3 an order issued by the director under IC 26-3-7-16.5 that postpones the agency from notifying the board of the amount of loss for proven claimants under ~~IC 26-3-7-16.5(n)~~, **IC 26-3-7-16.5(m)**, the board may issue partial



payments to any claimants who have not appealed their claims.

SECTION 75. IC 26-4-6-6, AS AMENDED BY P.L.145-2017, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 6. A claimant compensated under this chapter is required to subrogate to the board or corporation all the claimant's rights to collect on a bond issued under IC 26-3-7 or the United States Warehouse Act and all the claimant's rights to any other compensation arising from the ~~failure~~ **revocation of a license** of the grain buyer or warehouse operator. The claimant shall assign all the claimant's rights, title, and interest in any judgment concerning the ~~failure~~ **revocation of a license** to the board or corporation.

SECTION 76. IC 26-4-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 7. The board shall deny the payment of compensation under this chapter to a claimant who has incurred a financial loss or storage loss due to the ~~failure~~ **revocation of a license** of a warehouse or grain buyer when the board determines the existence of any of the following:

- (1) The claimant as payee has failed to present for payment a negotiable instrument issued as payment for grain within ninety (90) days from the date the negotiable instrument is tendered to the claimant in satisfaction of obligations for grain purchased by the licensed grain establishment.
- (2) The claimant has engaged in conduct or practices that differ from generally accepted marketing practices within the grain industry, **as determined by a majority of the board**, to an extent that the claimant's actions have substantially contributed to the claimant's loss. The Indiana grain indemnity board may consider whether contracts not excluded under ~~IC 26-3-7-4~~ **IC 26-3-7** are to be generally accepted marketing practices within the grain industry.

SECTION 77. IC 26-4-6-8, AS AMENDED BY P.L.75-2010, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 8. After the agency has determined that a grain buyer or warehouse has defaulted payment or ~~failed~~, **had its license revoked**, the board shall have the following duties:

- (1) Determine the valid claims and the amount of such claims to be paid to claimants for financial losses that were incurred due to the ~~failure~~ **revocation of a license** of a grain buyer or warehouse operator.
- (2) **Investigate and question claimants as to their marketing methods and the losses claimed by the claimants.**
- (3) **Obtain credible documentation of any and all losses**



claimed by the claimants.

(4) Document, in writing, each claim by having the following information presented and approved by the board:

- (A) Name of the claimant.
- (B) How long the grain had been stored or sold.
- (C) If title passed, at what price the financial loss was determined.
- (D) If stored, at what price the financial loss was determined.
- (E) Whether the financial loss was a result of normal marketing practices.

Any information submitted under this subdivision by the claimant must be signed and affirmed under the penalties for perjury.

~~(2)~~ (5) Authorize payment of money from the fund when necessary for the purpose of compensating claimants in accordance with the provisions of this chapter.

~~(3)~~ (6) Collect money through subrogated claims against bonds filed under IC 26-3-7 in the place of claimants who collected for a loss incurred due to ~~a~~ **the revocation of a license of a** warehouse or grain buyer. ~~failure.~~

~~(4)~~ (7) Borrow money as authorized under IC 26-4-3-9 if the fund has insufficient money to cover approved claims.

~~(5)~~ (8) Deposit into the fund any remaining grain assets of a ~~failed~~ grain buyer or warehouse operator **whose license has been revoked** for the purpose of repayment to the fund the money used to pay claimants, subject to any priority lien right a holder of a mortgage, security interest, or other encumbrance may possess under any other applicable law. Any repayment into the fund may not exceed the principal amount paid to claimants plus interest at the rate paid on ninety (90) day United States Treasury bills.

~~(6)~~ (9) If the amount in the fund is insufficient to pay all approved claims in accordance with this chapter and the board is unable to borrow funds for whatever reason, authorize payment of all the approved claims on a pro rata basis.

SECTION 78. IC 26-4-8-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 4. (a) A member of the board who knowingly violates the terms of a confidentiality agreement executed under this article commits a Class A misdemeanor.**

**(b) A person convicted of violating this section is ineligible to serve on the board.**



SECTION 79. IC 35-52-15-1 IS REPEALED [EFFECTIVE JULY 1, 2025]. ~~Sec. 1. IC 15-11-8-8 defines a crime concerning the Indiana department of agriculture.~~

SECTION 80. IC 35-52-26-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 8.5. IC 26-3-7.5-9 defines a crime concerning grain moisture testing equipment inspections.**

SECTION 81. IC 35-52-26-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 12. IC 26-4-8-4 defines a crime concerning members of the Indiana grain indemnity corporation board.**

SECTION 82. [EFFECTIVE JULY 1, 2025] (a) The following are void:

- (1) 824 IAC 1 (dealers and warehouse licensing and bonding).
- (2) 824 IAC 2-2-1 (responsibility for compliance).
- (3) 824 IAC 2-3-2 (expedited hearings).
- (4) 824 IAC 2-4-2 (transferability).
- (5) 824 IAC 2-4-3 (fees).
- (6) 824 IAC 2-4-6(c) (insurance).
- (7) 824 IAC 2-4-8 (net worth and market appraisals).
- (8) 824 IAC 2-4-13 (inspection of scales).
- (9) 824 IAC 2-4-14 (annual license renewal application).
- (10) 824 IAC 2-5-1 (requirements for auditors).
- (11) 824 IAC 2-8-2 (stored grain).
- (12) 824 IAC 2-10-1 (stored grain).
- (13) 824 IAC 2-11-1 (delivery back to the depositor).
- (14) 824 IAC 2-13-1 (contracts requirements).
- (15) 824 IAC 2-16-1 (contents of agency notices when a license is suspended, revoked, or denied).
- (16) 824 IAC 2-17 (hearing proceedings).
- (17) 825 IAC 1 (grain indemnity corporation).

The publisher of the Indiana Administrative Code and Indiana Register shall remove these provisions from the Indiana Administrative Code.

(b) This SECTION expires July 1, 2026.

SECTION 83. [EFFECTIVE UPON PASSAGE] (a) Any rules adopted by the Indiana state department of agriculture under IC 15-11-8 in effect on June 30, 2025, are considered rules of the Indiana grain buyers and warehouse licensing agency under IC 26-3-7.5, as added by this act, on July 1, 2025.

(b) This SECTION expires July 1, 2030.





**SECTION 84. An emergency is declared for this act.**



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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

**SEA 461 — Concur**

