

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 183**

FINAL READING

Introduced by Johnson, 23.

Read first time January 12, 2015

Committee: Agriculture

1 A BILL FOR AN ACT relating to the Grain Dealer Act; to amend sections  
2 75-902, 75-903, 75-904, 75-905, and 75-908, Reissue Revised Statutes  
3 of Nebraska; to redefine a term, change licensure and receipt  
4 requirements, and change enforcement provisions; and to repeal the  
5 original sections.

6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 75-902, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 75-902 For purposes of the Grain Dealer Act, unless the context  
4 otherwise requires:

5 (1) Commission means the Public Service Commission;

6 (2) Direct delivery grain has the same meaning as in section 88-526;

7 (3) Direct delivery obligation has the same meaning as in section  
8 88-526;

9 (4) Grain includes, but is not limited to, all unprocessed beans,  
10 whole corn, milo and other sorghum, wheat, rye, barley, oats, millet,  
11 safflower seed and processed plant pellets, alfalfa pellets, and any  
12 other bulk pelleted agricultural storable commodity, except grain which  
13 has been processed or packaged for distribution as seed;

14 (5)(a) Grain dealer means any person, partnership, limited liability  
15 company, corporation, or association that (i) buys grain from the owner  
16 of producer of the grain within this state for purposes of selling such  
17 grain, ~~(ii) transports grain into this state for purposes of selling such~~  
18 ~~grain,~~ or (ii iii) acts as an employee or agent of a buyer or seller for  
19 purposes of collective bargaining in the marketing of grain.

20 (b) Grain dealer does not include (i) a feeder or custom feeder of  
21 livestock or poultry or (ii) a warehouse licensee under the Grain  
22 Warehouse Act or a warehouse licensee under the United States Warehouse  
23 Act of a warehouse located in Nebraska if the warehouse licensee does not  
24 buy, sell, or transport grain other than grain that is received at its  
25 licensed warehouse facilities;

26 (6) In-store transfer has the same meaning as in section 88-526;

27 (7) Post-direct delivery storage position has the same meaning as in  
28 section 88-526; and

29 (8) Producer means the owner, tenant, or operator of land in this  
30 state who has an interest in and receives all or part of the proceeds  
31 from the sale of grain produced on that land.

1           Sec. 2. Section 75-903, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           75-903 All grain dealers doing business in this state shall be  
4 licensed by the commission. If the applicant is an individual, the  
5 application shall include the applicant's social security number. To  
6 procure and maintain a license, each grain dealer shall:

7           (1) Pay an annual fee of one hundred sixty dollars which shall be  
8 due on or before the date established by the commission for each license  
9 ~~and a registration fee not to exceed forty dollars per year for each~~  
10 ~~vehicle used by such licensee to transport grain.~~ Such fees shall be paid  
11 to the State Treasurer and credited to the General Fund;

12           ~~(2) Equip each vehicle used by the licensee for grain transportation~~  
13 ~~with a commercial license plate registered with the Department of Motor~~  
14 ~~Vehicles, except that a licensee who resides in another state shall~~  
15 ~~license such vehicles according to the laws of his or her state of~~  
16 ~~residence;~~

17           ~~(3) Affix a grain dealer plate issued by the commission to each~~  
18 ~~vehicle used by the licensee;~~

19           (2 4) File security which may be a bond issued by a corporate surety  
20 company and payable to the commission, an irrevocable letter of credit,  
21 or a certificate of deposit, subject to the approval of the commission,  
22 for the benefit of any producer ~~or owner within this state~~ who files a  
23 valid claim arising from a sale to ~~or purchase from~~ a grain dealer. The  
24 security shall be in the amount of thirty-five thousand dollars or seven  
25 percent of grain purchases or exchanges by the grain dealer in the grain  
26 dealer's preceding fiscal year, whichever is greater, not to exceed three  
27 hundred thousand dollars. Amounts used in the calculation of the security  
28 shall include all direct delivery grain purchases and exchanges valued on  
29 the date delivery is made. Amounts used in the calculation of the  
30 security shall not include any transactions in which direct delivery  
31 grain is exchanged for a post-direct delivery storage position and the

1 post-direct delivery storage position is created by an in-store transfer  
2 on the same date as the delivery of the direct delivery grain. Such  
3 security shall be furnished on the condition that the licensee will pay  
4 for any grain purchased upon demand, not later than fifteen ~~thirty~~ days  
5 after the date of the last shipment of any contract. The liability of the  
6 surety shall cover purchases ~~and sales~~ made ~~or arranged~~ by the grain  
7 dealer during the time the bond is in force. A grain dealer's bond filed  
8 with the commission shall be in continuous force and effect until  
9 canceled by the surety. The liability of the surety on any bond required  
10 by this section shall not accumulate for each successive license period  
11 during which the bond is in force; and

12 (3) File a reviewed or audited fiscal year-end financial statement  
13 prepared by an independent certified public accounting firm ~~(5) File a~~  
14 ~~reviewed or audited fiscal year-end financial statement prepared either~~  
15 ~~by an independent certified public accountant or by an independent public~~  
16 ~~accountant who holds a permit granted by the Nebraska State Board of~~  
17 ~~Public Accountancy. If licensing as an individual, the financial~~  
18 ~~statement shall be prepared in accordance with Other Comprehensive Basis~~  
19 ~~of Accountancy, as filed with the board, for a personal financial~~  
20 ~~statement, using historical cost and accrual basis of accounting. If~~  
21 ~~licensing as a partnership, corporation, or limited liability company,~~  
22 ~~the financial statement shall be prepared in accordance with accounting~~  
23 ~~principles generally accepted. The financial statement shall include: (a)~~  
24 ~~A statement of income showing profit or loss; (b) a balance sheet; (c) a~~  
25 ~~statement of cash flow; (d) a statement of proprietor's capital or~~  
26 ~~retained earnings; (e) the volume and dollar value of the grain purchases~~  
27 ~~the licensee made in Nebraska during the fiscal year; (f) the volume and~~  
28 ~~dollar value of transactions in which direct delivery grain is exchanged~~  
29 ~~for a post-direct delivery storage position and the post-direct delivery~~  
30 ~~storage position is not created by an in-store transfer on the same date~~  
31 ~~as the delivery of the direct delivery grain; and (g) the accounting~~

1 ~~firm's accountant's~~ certification, assurances, opinions, and comments and  
2 the notes with respect to the financial statement. If the volume and  
3 dollar value of the grain purchases is not reported, the grain dealer  
4 shall file the maximum grain dealer security as required by the Grain  
5 Dealer Act.

6 If an applicant for a grain dealer license is a wholly owned  
7 subsidiary of a parent company and such a financial statement is not  
8 prepared for the subsidiary, the parent company shall submit its reviewed  
9 or audited fiscal year-end financial statement and shall execute an  
10 unconditional guarantee agreement as prescribed by the commission.

11 Sec. 3. Section 75-904, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 75-904 Each grain dealer or his or her agent upon taking possession  
14 of grain from a seller shall issue a receipt, contract, bill of lading,  
15 or other written communication to the seller or his or her agent. Such  
16 receipt shall show: ~~(1) The date and time of day the grain dealer or his~~  
17 ~~or her agent took possession of the seller's grain; (2) the name and~~  
18 ~~address of the buyer; (3) the name of the seller; (4) the name of the~~  
19 ~~agent; (5) the motor vehicle license plate number of any vehicle used by~~  
20 ~~the grain dealer or his or her agent in taking possession of the seller's~~  
21 ~~grain; (6) the kind of grain delivered to the buyer; (7) the approximate~~  
22 ~~quantity of grain delivered to the buyer; and (8) the provisions of~~  
23 ~~section 75-905.~~ The grain dealer receipt, contract, bill of lading, or  
24 other written communication issued by the grain dealer shall include the  
25 provisions of section 75-905 and be in such form as the Public Service  
26 Commission may by rule and regulation require.

27 Sec. 4. Section 75-905, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 75-905 (1) No seller shall have recourse to the grain dealer's  
30 security unless the seller:

31 (a) Demands payment from the grain dealer within fifteen ~~thirty~~ days

1 after the date of the last shipment of any contract;

2 (b) Negotiates any negotiable instrument issued as payment for grain  
3 by the grain dealer within fifteen ~~thirty~~ days after its issuance; and

4 (c) Notifies the commission within fifteen ~~thirty~~ days after any  
5 apparent loss to be covered under the terms of the grain dealer's  
6 security.

7 (2) The grain dealer's security shall provide security for direct  
8 delivery grain until any post-direct delivery storage position is created  
9 for a period not to exceed fifteen ~~thirty~~ days after the date of the last  
10 shipment of the contract.

11 Sec. 5. Section 75-908, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 75-908 The commission, ~~the carrier enforcement division of the~~  
14 ~~Nebraska State Patrol, the Department of Motor Vehicles,~~ county and  
15 municipal law enforcement agencies, and the Attorney General shall  
16 enforce the Grain Dealer Act.

17 Sec. 6. Original sections 75-902, 75-903, 75-904, 75-905, and  
18 75-908, Reissue Revised Statutes of Nebraska, are repealed.