

May 5, 1981

LB 529

with the fact that so what if it does cost \$1,000 to the grain dealer. Think of the thousands upon thousands of dollars it is going to cost the farmer if some grain dealer goes bankrupt and cannot pay for the grain. I would like to point out also that if we have got grain dealers out there that cannot afford, even if it does cost \$1,000, which I don't think it will, to simply make a financial statement of this nature, even if it does cost \$1,000, if they can't afford that, then it seems to me they are in a little shaky position to be buying all of that thousands of dollars worth of grain from the farmers anyhow and I think that is part of what our responsibility is to protect those individuals that would be selling grain to these types of operations. So I certainly urge the body's adoption of this amendment.

SENATOR CLARK: Senator Cope.

SENATOR COPE: Mr. President, members, a question of Senator Sieck. What I am wondering, Senator Sieck, since I understand that all elevators must be bonded, the bonding company is certainly going to require an audit to get a bond, aren't they?

SENATOR SIECK: That is correct.

SENATOR COPE: Then why are we so worked up about this audit at the present time if we require all elevators to be bonded?

SENATOR SIECK: It could vary. It could be one year, it could be five years. It is arbitrary according to the bonding company and on the average it is about three years that they will require another audit and the reason for that time period, now at the time they took that audit, that elevator can use that audit and send it to the Public Service Commission. That is all that is required. But in the years that the elevator will not have an audit, then we are asking for a financial statement that is certified by a public accountant to be able to send to the Public Service Commission to check their records. That is all we are doing. At the time that the audit is not being made.

SENATOR COPE: But to save expenses, why couldn't the audit that the bonding company will demand I am sure be used to be sent to the Public Service Commission?

SENATOR SIECK: It can. It can at the time that the year that the audit is made. Now if I have got this correctly, all coop elevators require an audit every year. So they automatically are going to do this and then they will have