

RÉSUMÉ DIGEST

ACT 430 (HB 765)

2015 Regular Session

Anders

Prior law required agricultural warehouses and grain dealers to be bonded as a condition for a license.

New law replaces the bond requirement with a requirement that the warehouses, grain dealers, and cotton merchants provide security and provisional stock insurance as a condition for a license.

New law also modifies prior law by changing the requirement for a commodities dealer appointed to the La. Agricultural Commodities Commission from a commodity broker who is licensed to trade on a commodity exchange and familiar with the trading of future contracts affecting commodities to a commodity trader who executes future trades related to a hedging program for purchases or sales of commodities.

Existing law authorizes the commission to operate a program of self-insurance for warehouses, grain dealers, and cotton merchants limited to the amount of bonds required in existing law.

New law modifies existing law by removing the bond requirement and instead provides for security requirements and guidelines for reimbursement.

New law modifies existing law by adding the purpose of the self-insurance fund as solely for having funds available for use in meeting a licensee's obligations for reimbursement of any person who stored agricultural commodities in a warehouse or a producer who sold agricultural commodities to the licensee and was not fully compensated.

Existing law authorizes the commission to take action on behalf of the Grain and Cotton Indemnity Fund against a person to recover the amount of payment made, plus costs and attorney fees, with interest computed at the U.S. Treasury two-year note rate.

New law clarifies existing law by authorizing the commission to recover the amount of payment made, plus reasonable costs, including court costs, legal interest, and reasonable attorney fees.

Prior law granted recourse on the bond or alternate security required to the extent of the loss suffered by the producer to any producer from whom cotton was purchased or contracted to be purchased as a result of nonperformance of the cotton merchant or cotton agent.

New law directs the producer to submit a claim on the security to the commission pursuant to its administrative procedures as a result of nonperformance of the cotton merchant or cotton agent.

New law provides a definition for "security" for purposes of the agricultural commodities dealer and warehouse law.

New law redesignates existing law as follows:

From R.S. 3:3409 to R.S. 3:3410

From R.S. 3:3410.1 to R.S. 3:3412

From R.S. 3:3410.2 to R.S. 3:3412.1

From R.S. 3:3411 to R.S. 3:3410.1

From R.S. 3:3411.1 to R.S. 3:3410.2

From R.S. 3:3412 to R.S. 3:3411

Effective Aug., 1, 2015.

(Amends R.S. 3:3402(17) and (18), 3403(A)(5), 3405(A)(3), (4), and (B)(7), 3409-3412, and 3414.4; Adds R.S. 3:3402(19) and 3412.1)