

House Bill 1186

By: Representatives McCall of the 30th, England of the 108th, and Roberts of the 154th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 9 of Title 2 of the Official Code of Georgia Annotated, relating to dealers
2 in agricultural products, so as to provide for the applicability of general provisions to persons
3 who buy for cash; to raise the monetary amounts of surety bonds required of agricultural
4 products dealers and grain dealers; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Chapter 9 of Title 2 of the Official Code of Georgia Annotated, relating to dealers in
8 agricultural products, is amended by revising Code Section 2-9-15, relating to applicability
9 of general provisions and licensing requirements, as follows:

10 "2-9-15.

11 This article shall not apply to:

12 (1) Farmers or groups of farmers in the sale of agricultural products grown by
13 themselves; or

14 ~~(2) Persons who buy for cash, paying at the time of purchase in United States currency,
15 certified check, cashier's check, or the equivalent; or~~

16 ~~(3)~~(2) Holders of food sales establishment licenses issued pursuant to Article 2 of
17 Chapter 2 of Title 26, the 'Georgia Food Act,' who conduct no business at the wholesale
18 level and who have fewer than ten employees."

19 style="text-align:center">**SECTION 2.**

20 Said chapter is further amended by revising Code Section 2-9-5, relating to the surety bond
21 requirement for dealers in agricultural products, as follows:

22 "2-9-5.

23 Before any license is issued the applicant shall make and deliver to the Commissioner a
24 surety bond executed by a surety corporation authorized to transact business in this state
25 and approved by the Commissioner. Any and all bond applications shall be accompanied

26 by a certificate of 'good standing' issued by the Commissioner of Insurance. If any
 27 company issuing a bond shall be removed from doing business in this state, it shall be the
 28 duty of the Commissioner of Insurance to notify the Commissioner of Agriculture within
 29 30 days. The bond shall be in such amount as the Commissioner may determine, not
 30 exceeding an amount equal to the maximum amount of products purchased from or sold
 31 for Georgia producers or estimated to be purchased or sold in any month by the applicant
 32 or in the case of cotton not to exceed ~~\$150,000.00~~ \$300,000.00. Such bond shall be upon
 33 a form prescribed or approved by the Commissioner and shall be conditioned to secure the
 34 faithful accounting for and payment to producers or their agents or representatives of the
 35 proceeds of all agricultural products handled or sold by such dealer. However, in lieu of
 36 a surety bond, the Commissioner may accept a cash bond, which shall in all respects be
 37 subject to the same claims and actions as would exist against a surety bond. Whenever the
 38 Commissioner shall determine that a previously approved bond has for any cause become
 39 insufficient, the Commissioner may require an additional bond or bonds to be given,
 40 conforming with the requirements of this Code section. Unless the additional bond or
 41 bonds are given within the time fixed by written demand therefor, or if the bond of a dealer
 42 is canceled, the license of such person shall be immediately revoked by operation of law
 43 without notice or hearing."

44

SECTION 3.

45 Said chapter is further amended by revising Code Section 2-9-34, relating to the surety bond
 46 requirement for grain dealers, as follows:

47 "2-9-34.

48 (a) Before any license is issued, the applicant shall make and deliver to the Commissioner
 49 a surety bond in the amount of 20 percent of the average of the highest dollar volume of
 50 grain purchases from producers made in any single month for each of the three preceding
 51 calendar years or such shorter period of years as the applicant has done business as a grain
 52 dealer, provided that the minimum amount of such bond shall be ~~\$20,000.00~~ \$50,000.00
 53 and the maximum amount of such bond shall be ~~\$150,000.00~~ \$300,000.00. If a licensed
 54 grain dealer operates his or her grain-dealing activities at more than one physical location,
 55 he or she shall furnish a surety bond for each location of grain-dealing activities, each bond
 56 to be computed as stated in this Code section and each bond to be subject to the minimum
 57 and maximum amounts stated in this Code section. The bonds shall be executed by a
 58 surety corporation authorized to transact business in this state and approved by the
 59 Commissioner. Any and all bond applications shall be accompanied by a certificate of
 60 'good standing' issued by the Commissioner of Insurance. If any company issuing a bond
 61 shall be removed from doing business in this state, it shall be the duty of the Commissioner

62 of Insurance to notify the Commissioner of Agriculture within 30 days. Such bonds shall
63 be upon forms prescribed by the Commissioner and shall be conditioned to secure the
64 faithful accounting for and payment to the producers or their agents or representatives of
65 the proceeds of all grain handled or sold by such dealer. Whenever the Commissioner shall
66 determine that a previously approved bond has for any cause become insufficient, the
67 Commissioner may require an additional bond or bonds to be given, conforming with the
68 requirements of this Code section. Unless the additional bond or bonds are given within
69 the time fixed by written demand therefor, or if the bond of a dealer is canceled, the license
70 of such person shall be immediately revoked by operation of law without notice or hearing.
71 (b) In lieu of a surety bond, the Commissioner may accept a cash bond which shall be
72 subject in all respects to the same claims and actions as would exist against a surety bond.
73 (c) If the surety bond or cash bond of a licensed grain dealer is canceled, the license of
74 such grain dealer shall immediately be revoked by operation of law without notice or
75 hearing."

76 **SECTION 4.**

77 All laws and parts of laws in conflict with this Act are repealed.