

SCS HCS HB 1099 -- COMMERCIAL FEED; GRAIN DEALERS

(Vetoed by the Governor)

This bill revises the Commercial Feed Law, effective January 1, 1997.

(1) Any person acting as an independent consultant is required to obtain a license from the Department of Agriculture. An independent consultant is any person who provides animal nutritional formulation to a feed purchaser for a fee.

(2) A product is considered to be misbranded, if it is not appropriate for its intended use.

(3) The Department of Agriculture's authority is expanded to allow action to be taken if any product is found to be adulterated. A product is considered to be adulterated, if it contains any filthy, putrid, or decomposed substance or if it is otherwise found to be unfit for feed.

(4) Stronger action may be taken against companies by suspending or revoking licenses when there is just cause.

(5) Customer-formula feed sampling is expanded and chemical analysis results are to be provided to the customer.

(6) The annual report containing information about sales of commercial feeds, data on such feed production, and use and results of the analyses of official samples of commercial feeds sold within the state will be provided to all distributors of feed, feed dealers, and others free of charge.

(7) After inquiry and opportunity for a hearing, the Director of the Department of Agriculture may assess civil penalties not to exceed \$1,000 for each violation of serious and repeat offenders of the feed law and may order restitution to be made to any person. Any person aggrieved by an act, order, or ruling made pursuant to the provisions of this bill may appeal pursuant to the provisions in Chapter 536, RSMo. Any person subject to a final administrative order may file a de novo appeal to the circuit court. The circuit court may assess a civil penalty of up to \$5,000 per violation.

(8) Pet food and specialty pet food inspection fees are increased to not to exceed \$1,000 per manufacturer.

The bill also includes numerous changes to the Grain Dealers and Grain Warehouse laws. This portion of the bill has an emergency clause.

(1) Current law, which went into effect February 1, 1996, requires all grain warehouses and grain dealers posting letters

of credit or certificates of deposit as security to submit financial statements which have been reviewed by a certified public accountant. This bill requires all licensees to submit at least review level financial statements. The review is to be performed by a certified public accountant.

(2) The financial requirements for licensees engaging in credit sales contracts are increased to the greater of \$50,000 or 2% of annual grain purchases. Currently, the greater of 15 cents per bushel or 1% of annual purchases is required.

(3) Record keeping requirements for all classes of grain dealers are standardized and all classes of grain dealers will be audited by the Department of Agriculture. Currently, only Class 1 dealers are required to keep certain records and be audited by the Department of Agriculture.

(4) Fees are raised to \$50. Currently, filing fees are \$15 and license fees are \$25.

(5) Clarifications are made to definitions in both the Grain Dealers and Grain Warehouse laws to ensure consistency. Grain dealer licenses are required for all businesses purchasing grain from producers on a regular basis. A license will no longer be required, if grain is purchased from licensed grain dealers exclusively.

(6) A new section is added to the Grain Warehouse Law to create a statutory lien on grain and grain-related assets of a failed grain warehouseman for the benefit of grain storage depositors.