

**As Reported by the House Agriculture and Natural Resources  
Committee**

**122nd General Assembly  
Regular Session  
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**Am. H. B. No. 425**

**Representatives Thompson, Haines, Damschroder, Opfer**

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**A B I L L**

To amend sections 926.01, 926.021, 926.05, 926.06, 1  
926.10, 926.16, 926.18, 926.19, 926.29, 926.30, 2  
926.32, and 926.99 and to enact sections 926.051 3  
and 926.36 of the Revised Code to change the 4  
definition of an agricultural commodity handler, 5  
to increase the total net worth that an applicant 6  
for an agricultural commodity handler's license 7  
must maintain, to increase the penalty for 8  
engaging in agricultural commodity handling 9  
without a license, and to make other revisions to 10  
the law governing agricultural commodity handling. 11  
12

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 926.01, 926.021, 926.05, 926.06, 13  
926.10, 926.16, 926.18, 926.19, 926.29, 926.30, 926.32, and 926.99 14  
be amended and sections 926.051 and 926.36 of the Revised Code be 15  
enacted to read as follows: 16

**Sec. 926.01.** As used in this chapter: 17

(A) "Agricultural commodity" means barley, corn, oats, rye, 18  
grain sorghum, soybeans, wheat, sunflower, speltz, ~~and~~ or any 19

other agricultural crop which the director of agriculture may 20  
designate by rule. "Agricultural commodity" does not mean any 21  
grain that is purchased for sale as seed. 22

(B) "Agricultural commodity handling" or "handling" means: 23

(1) Engaging in or participating in the business of 24  
purchasing an agricultural commodity for sale, resale, processing, 25  
or for any other use in the following volumes ~~exceeding ten~~: 26

(a) In the case of purchases made from producers, more than 27  
TWENTY thousand bushels annually; 28

(b) In the case of purchases made from agricultural commodity 29  
handlers, more than one hundred thousand bushels annually; 30  
31

(c) In the case of total purchases made from producers 32  
combined with total purchases made from handlers, more than one 33  
hundred thousand bushels annually. 34

(2) Operating a warehouse as a bailee for the receiving, 35  
storing, shipping, or conditioning of an agricultural commodity; 36

(3) Receiving into a warehouse an agricultural commodity 37  
purchased under a delayed price agreement; 38

(4) Providing marketing functions, including storage, delayed 39  
price marketing, deferred payment, feed agreements, or any other 40  
marketing transaction whereby control is exerted over the monetary 41  
proceeds of a producer's agricultural commodities by a person 42  
other than the producer. 43

(C) "Agricultural commodity handler" or "handler" means any 44  
person who is engaged in the business of agricultural commodity 45  
handling. ~~Any "Agricultural commodity handler" or "handler" does~~ 46  
~~not include a person whose purchases of all agricultural~~ 47  
~~commodities do not exceed ten thousand bushels annually and who~~ 48  
does not handle agricultural commodities as a bailee ~~is not an~~ and 49

<u>who purchases agricultural commodities in the following volumes:</u>	50
(1) <u>Twenty thousand or fewer bushels annually from producers;</u>	51
	52
(2) <u>One hundred thousand or fewer bushels annually from</u>	53
<u>agricultural commodities handler commodity handlers.</u>	54
<u>A person who does not handle agricultural commodities as a</u>	55
<u>bailee and who annually purchases twenty thousand or fewer bushels</u>	56
<u>of agricultural commodities from producers and one hundred</u>	57
<u>thousand or fewer bushels of agricultural commodities from</u>	58
<u>agricultural commodity handlers shall be considered to be an</u>	59
<u>agricultural commodity handler if the combined annual volume of</u>	60
<u>purchases from the producers and the agricultural commodity</u>	61
<u>handlers exceeds one hundred thousand bushels.</u>	62
(D) "Depositor" means:	63
(1) Any person who delivers an agricultural commodity to a	64
licensed handler for storage, conditioning, shipment, or sale;	65
(2) Any owner or legal holder of a ticket or receipt issued	66
for an agricultural commodity who is a creditor of the licensed	67
handler for the value of the agricultural commodity;	68
(3) Any licensed handler storing an agricultural commodity	69
that <del>he</del> <u>the licensed handler</u> owns solely, jointly, or in common	70
with others in a warehouse owned or controlled by <del>him</del> <u>the licensed</u>	71
<u>handler</u> or any other licensed handler.	72
(E) "Receipt" means a warehouse receipt issued by a licensed	73
handler.	74
(F) "Nonnegotiable receipt" means a receipt on which it is	75
stated that the agricultural commodity received will be delivered	76
to the depositor or to the order of any other person named in the	77
receipt.	78
(G) "Negotiable receipt" means a receipt on which it is	79

stated that the agricultural commodity received will be delivered 80  
to the bearer or to the order of any person named in the receipt. 81

(H) "Ticket" means a scale weight ticket, a load slip, or any 82  
evidence, other than a receipt, given to a depositor by a licensed 83  
handler upon delivery of an agricultural commodity to the handler. 84

85

(I) "Warehouse" means any building, bin, protected enclosure, 86  
or similar premises under the control of a licensed or unlicensed 87  
handler used for receiving, storing, shipping, or handling an 88  
agricultural commodity. 89

(J) "Storage" means the deposit of an agricultural commodity 90  
into a warehouse either for the account of the licensed handler 91  
operating the warehouse or for the account of a depositor. 92

(K) "Producer" means any person who grows an agricultural 93  
commodity on land that ~~he~~ the person owns or leases. 94

(L) "Agent" means any person, other than a producer, who 95  
delivers an agricultural commodity to a licensed handler, either 96  
for sale or for storage, for the account of the producer. 97

(M) "Agricultural commodity tester" or "tester" means a 98  
person who operates a moisture meter and other quality testing 99  
devices to determine the quality of an agricultural commodity. 100

(N) "Federally licensed grain inspector" means a person who 101  
is licensed by the United States department of agriculture under 102  
the "United States Grain Standards Act," 39 Stat. 482 (1916), 7 103  
U.S.C. 71, as amended, to test and grade grain, as "grain" is 104  
defined in that act. 105

(O) "Bailee" means a person to whom an agricultural commodity 106  
is delivered in trust for storage in a warehouse with title 107  
remaining in the name of the depositor. 108

(P) "Bailor" means a person who delivers an agricultural 109

commodity to a bailee in trust for storage in a warehouse with title remaining in the name of the depositor.

(Q) "Bailment agreement" means a bailor-bailee agreement between a depositor and a licensed handler as stated in the terms of a receipt that is issued for an agricultural commodity in storage and subject to the requirements of this chapter governing the use of a receipt.

(R) "Delayed price agreement" means a written executory contract executed by and between a licensed handler and a depositor that covers the sale and transfer of title of an agricultural commodity and states in its written terms the service charges and the method for pricing the commodity at a later date.

(S) "Delayed price marketing" means the sale and transfer of title of an agricultural commodity with the price to be established at a later date according to the terms of a delayed price agreement.

(T) "Deferred payment" means the deferral of payment to a depositor by a licensed handler for an agricultural commodity to which the licensed handler has taken title, for the purpose of deferring income of the depositor from one tax year to another.

(U) "Feed agreement" means a written contract executed by and between a licensed handler and a producer or depositor who delivers an agricultural commodity to the licensed handler for storage whereby each of the following applies:

(1) The producer or depositor transfers title to the agricultural commodity to the licensed handler in exchange for a nominal sum;

(2) The producer, upon delivery of the agricultural commodity to the licensed handler, becomes a creditor of the licensed handler due to the lien that arises under section 926.021 of the

<u>Revised Code;</u>	140
(3) <u>All or part of the agricultural commodity is returned to the producer at a later date and used for feed purposes.</u>	141 142
(V) <u>Notwithstanding section 1.02 of the Revised Code, "and" shall not be read "or" and "or" shall not be read "and."</u>	143 144
<b>Sec. 926.021.</b> (A) As used in this section:	145
(1) "Claimant" means a person <del>who is unable to secure satisfaction of financial obligations due from</del> <u>to whom an agricultural commodity handler owes a financial obligation for agricultural commodities or the actual monetary proceeds from agricultural commodities that have been delivered to the handler.</u>	146 147 148 149 150
(2) "Failure" means any of the following involving an agricultural commodity handler:	151 152
(a) An inability to <del>financially</del> <u>financially</u> satisfy claimants	153 154
(b) A public declaration of insolvency;	155
(c) A revocation, <u>suspension, or conditional suspension</u> of license with outstanding indebtedness to claimants;	156 157
(d) Nonpayment in the ordinary course of business where a good faith dispute does not exist;	158 159
(e) No application for license renewal;	160
(f) Denial of license renewal;	161
(g) Voluntarily surrendering a license.	162
(3) "Agricultural commodity assets" involving <del>a failed an</del> <u>an</u> agricultural commodity handler <del>mean</del> <u>means</u> any of the following:	163 164
(a) All agricultural commodities owned or stored, including agricultural commodities in transit shipped by the <del>failed</del> handler but not yet paid for;	165 166 167

(b) Redeposited agricultural commodities;	168
(c) Proceeds from the sale of agricultural commodities due or to become due;	169 170
(d) The equity less any secured financing directly associated therewith in assets in hedging or speculative margin accounts held by commodity or security exchanges or dealers representing the exchanges, and any moneys due or to become due less any secured financing directly associated therewith from any transactions on the exchanges;	171 172 173 174 175 176
(e) Any other unencumbered funds, property, or equity in funds or property, wherever located, that can be directly traced to the sale of agricultural commodities by the <del>failed</del> handler, provided both that the funds, property, or equity in funds or property shall not be considered to be encumbered unless the encumbrance results from good and valuable considerations advanced by any secured party on a good faith basis and that the encumbrance is not the result of the taking of funds, property, or equity in funds or property as additional collateral for an antecedent debt;	177 178 179 180 181 182 183 184 185 186
(f) Any other unencumbered funds, property, or equity in assets.	187 188
(B) A lien shall exist on all agricultural commodity assets of a <del>failed</del> <u>an</u> agricultural commodity handler in favor of any of the following:	189 190 191
(1) Claimants, including lenders, who possess receipts covering grain owned or stored by the handler;	192 193
(2) Claimants who possess written evidence of ownership other than a receipt disclosing a storage obligation of the handler, including tickets;	194 195 196
(3) Claimants who surrendered receipts as part of an	197

agricultural commodity sales transaction but were not ~~fully~~ paid 198  
fully for the agricultural commodity and the handler failed within 199  
~~twenty~~ twenty-one days after the surrender; 200

(4) Claimants who possess any other written evidence of the 201  
sale of agricultural commodities to the ~~failed~~ handler for which 202  
they were not ~~fully~~ paid fully, including the sale of agricultural 203  
commodities for a nominal sum under a feed agreement. 204

(C) The lien ~~which~~ that shall secure all claims described in 205  
division (D) of this section, shall arise, attach to the 206  
agricultural commodity assets of an agricultural commodity 207  
handler, and become effective at the time of the delivery of the 208  
agricultural commodity for sale or for storage under a bailment 209  
agreement, commencement of the storage obligation, or when funds 210  
are advanced by the lender, and shall terminate when the liability 211  
of the agricultural commodity handler to the claimant is 212  
discharged, provided that the priority of each lien among the 213  
respective claimants shall not relate to the date the claim arises 214  
but shall be governed by the priorities established in division 215  
(D) of this section. ~~The~~ In the event of a failure, the lien 216  
claims of all claimants shall be considered to be assigned by 217  
operation of this section to the department of agriculture, and in 218  
the event of a failure and subsequent liquidation, the lien shall 219  
transfer over to assets or proceeds of assets either received or 220  
liquidated by the department ~~of agriculture.~~ 221

(D) ~~In~~ Except as provided in division (E) of this section, in 222  
the event of a failure, the director of agriculture shall possess 223  
exclusive authority to enforce the lien claims and allocate the 224  
proceeds as follows: 225

(1) First priority against all agricultural commodity assets 226  
shall be the following: 227

(a) Claimants, including lenders, who possess receipts 228

covering grain owned or stored by the agricultural commodity handler;	229 230
(b) Claimants who possess written evidence of ownership other than receipts disclosing a storage obligation of the handler, including tickets;	231 232 233
(c) Claimants who surrendered receipts as part of an agricultural commodity transaction, but were not fully paid for the agricultural commodity and the handler failed within twenty-one days after the surrender.	234 235 236 237
(2) Second priority against all agricultural commodity assets shall be to claimants who possess written evidence of the sale of an agricultural commodity, including, but not limited to, tickets, delayed price agreements, or similar agricultural commodity delivery contracts who completed delivery and pricing within thirty days immediately prior to the failure of the handler.	238 239 240 241 242 243 244
(3) To the extent not necessary to satisfy first and second priority claimants, all other claimants who possess written evidence of the sale of agricultural commodities to the failed handler shall participate in the pro rata distribution of the remainder of the agricultural commodity assets in an amount not to exceed the value of <del>their</del> <u>each</u> claim.	245 246 247 248 249 250
(E) In the event that any adversary proceeding is commenced to recover agricultural commodity assets upon which the lien imposed in this section is imposed and the department of <del>agriculture</del> declines to enter the proceeding, the director of <del>agriculture</del> , upon application to <del>him</del> <u>the director</u> by any claimant, shall assign to the claimant the applicable lien to permit the claimant to pursue <del>his</del> <u>the claimant's</u> lien in the adversary proceeding to the extent the action will not delay the resolution of the proceeding, the prompt liquidation of the assets, or the	251 252 253 254 255 256 257 258 259

ultimate distribution of the assets of ~~of~~ to all claimants. 260

**Sec. 926.05.** (A) Each person desiring to obtain or renew a 261  
handler's license shall file an application annually with the 262  
director of agriculture at such times, on such forms, and 263  
containing such information as ~~he~~ the director prescribes, 264  
including, if applicable, the appointment of a statutory agent 265  
under section 926.051 Of the Revised Code. 266

(B) Each application for a license or license renewal shall 267  
be accompanied by an application fee of two hundred dollars for 268  
the first facility operated by the applicant plus one hundred 269  
dollars for each additional facility operated by the same 270  
applicant and by an examination fee, established by rule of the 271  
director pursuant to section 926.02 of the Revised Code, for each 272  
facility operated by the applicant. "Facility" means all warehouse 273  
storage located on one premises, including any additional 274  
warehouse storage located within one thousand yards of that 275  
premises. The director may charge fees for examinations in an 276  
amount not to exceed those fees charged by the United States 277  
department of agriculture for comparable examinations. 278

The director shall deposit all fees collected under this 279  
section in the commodity handler regulatory program fund created 280  
in section 926.19 of the Revised Code. 281

(C) The director shall approve or reject each application for 282  
a license within fifteen days after receipt thereof, provided that 283  
such application is in proper form and contains the information 284  
required under division (A) of this section. A rejection of an 285  
application shall be accompanied by a statement from the director 286  
of the additional requirements necessary for a license. The 287  
applicant may resubmit ~~his~~ the application without payment of any 288  
additional fee. 289

(D) A handler's license shall expire on the date prescribed 290

by rule of the director. Whenever the director considers it 291  
advisable to cancel the unexpired portion of an outstanding 292  
license in order to renew it according to a new or existing system 293  
of expiration dates, ~~he~~ the director shall refund to the handler 294  
the unexpired portion of the fees paid under division (B) of this 295  
section. Whenever the director issues an initial license on a date 296  
that does not conform to the existing system, ~~he~~ the director 297  
shall issue the license for ~~whatever~~ a period of time, not less 298  
than six nor more than eighteen months, that makes ~~it~~ the date 299  
conform to the existing system. The application fee for that 300  
initial license shall be proportionate to the fee for a one-year 301  
license. 302

(E) An application for renewal of a handler's license shall 303  
be filed with the director not later than thirty days before the 304  
current license expires. An applicant who fails to file a renewal 305  
application in time shall pay a late fee of one dollar for each 306  
day the application is late or fifteen dollars, whichever is 307  
greater. A renewal license shall not be issued until a late fee 308  
that is due has been paid. 309

(F) The director, with the approval of the commodity advisory 310  
commission, may revoke or refuse to issue or renew a handler's 311  
license if any of the following occurred within five years before 312  
the application for the license or renewal was filed: 313

(1) The applicant, or the spouse, parent, sibling, or child 314  
of the applicant, or a manager employed by the applicant, or any 315  
other individual materially involved in the agricultural commodity 316  
handling business of the applicant was a principal in a 317  
receivership or insolvency that resulted in losses to creditors or 318  
to the agricultural commodity depositors fund established in 319  
section 926.16 of the Revised Code; 320

(2) The applicant pled guilty to or was convicted of any 321

felony or charge of embezzlement under the laws of this state, any  
other state, or of the United States;

(3) The applicant made a delivery of commodities not  
authorized under this chapter;

(4) The applicant's license under the "United States  
Warehouse Act," 39 Stat. 486 (1916), 7 U.S.C. 241, as amended, was  
revoked or canceled due to a violation of that act.

Sec. 926.051. (A) An applicant for a handler's license or  
renewal issued under section 926.05 of the Revised Code who does  
not conduct business at an address in this state at which the  
applicant usually can be contacted shall include with the  
application a written appointment of an agent, sometimes referred  
to as a "statutory agent," upon whom any process, notice, or  
demand may be served. The appointment shall be accompanied by a  
written acceptance of the appointment signed by the agent. The  
agent may be a natural person who is a resident of this state or a  
corporation whose principal place of business is located in this  
state. The appointment shall be on such forms and contain such  
information as the Director of Agriculture prescribes. Failure to  
comply with this division is grounds for rejection of the  
application under division (C) of section 926.05 of the Revised  
Code.

(B)(1) If an agent removes from the state or resigns, or if  
the applicant revokes the agent's appointment, the applicant  
immediately shall notify the Director in writing not later than  
thirty days prior to the removal, resignation, or revocation. If  
an agent dies, the applicant immediately shall notify the Director  
in writing. prior to the removal, resignation, or revocation and  
Not later than thirty days after the death, the applicant shall  
appoint another agent and file with the Director a written  
appointment of the agent, along with a written acceptance of the

appointment signed by the agent. 353

(2) If the agent's address changes from that appearing on the 354  
application, the applicant, not later than thirty days prior to 355  
the address change, shall file with the Director a written 356  
statement setting forth the new address, along with any other 357  
information the Director requests. 358

(C) Failure to comply with division (B) of this section is 359  
grounds for suspension or conditional suspension of a handler's 360  
license, without prior hearing, under section 926.10 of the 361  
Revised Code. 362

**Sec. 926.06.** (A) The director of agriculture may issue a 363  
handler's license, or renewal thereof, upon the payment of the 364  
prescribed application fee, if the director is satisfied that the 365  
applicant meets the standards of financial responsibility required 366  
under this section and has complied with this chapter and the 367  
rules adopted under it. 368

(B) ~~Each~~ (1) On the effective date of this amendment, each 369  
applicant for a handler's license, or renewal thereof, shall have 370  
and maintain current assets equal to or greater than current 371  
liabilities and a total net worth ~~of~~ equal to at least ten cents 372  
per bushel for the total number of bushels of agricultural 373  
commodities that ~~he~~ the applicant handled during the immediately 374  
preceding twelve-month period to cover any indebtedness arising 375  
from ~~his~~ the applicant's operations as a licensed handler. ~~If~~ One 376  
year after the effective date of this amendment, the total net 377  
worth requirement shall increase to eleven cents per bushel. For 378  
the next four years, the requirement shall continue to increase by 379  
one cent per bushel each year on the anniversary of the effective 380  
date of this amendment, so that five years after the effective 381  
date of this amendment, an applicant's total net worth shall be 382  
equal to at least fifteen cents per bushel for the total number of 383

bushels of agricultural commodities that the applicant handled 384  
during the immediately preceding twelve-month period. 385

(2) On the effective date of this amendment, if an applicant 386  
is applying for a handler's license for the first time and did not 387  
handle any agricultural commodities during the immediately 388  
preceding twelve-month period, ~~he~~ the applicant shall have an 389  
allowable total net worth of at least twenty-five thousand dollars 390  
~~for that purpose. No~~ To cover any indebtedness arising from the 391  
applicant's operations as a licensed handler. One year after the 392  
effective date of this amendment, this allowable total net worth 393  
requirement shall increase to thirty thousand dollars. For the 394  
next four years, The requirement shall continue to increase by 395  
five thousand dollars each year on the anniversary of the 396  
effective date of this amendment, so that five years after the 397  
effective date of this amendment, an applicant's total net worth 398  
shall be at least fifty thousand dollars. 399

(3) On the effective date of this Amendment, no person shall 400  
be licensed as a handler unless ~~he~~ the person has an allowable 401  
total net worth of at least twenty-five thousand dollars. ~~Any~~ One 402  
year after the effective date of this Amendment, this allowable 403  
total net worth requirement shall increase to thirty thousand 404  
dollars. For the next four years, the requirement shall continue 405  
to increase by five thousand dollars each year on the anniversary 406  
of the effective date of this amendment, so that five years after 407  
the effective date of this amendment, the person's total net worth 408  
shall be at least fifty thousand dollars. 409

(4) On the effective date of this amendment, any deficiency 410  
in required total net worth may be compensated for by an indemnity 411  
agreement executed by a person pledging personal assets for the 412  
benefit of commodity creditors should the licensed handler default 413  
in ~~his~~ the licensed handler's obligations to the creditors; a bond 414  
issued by a corporate surety company that is authorized to do 415

business under the laws of this state; or, at the director's 416  
discretion, an irrevocable letter of credit issued by a bank or 417  
other lending institution that is authorized by this state or the 418  
United States to issue such letters of credit and is subject to 419  
service of process in this state for any suit on the bond or 420  
letter of credit. An indemnity agreement executed by a person 421  
pledging personal assets shall be accompanied by financial 422  
statements that reflect the person's financial position as an 423  
individual and comply with the requirements of division (C) of 424  
this section. A bond shall be made to the treasurer of the state 425  
of Ohio to be deposited in the agricultural commodity depositors 426  
fund created under section 926.16 of the Revised Code for the 427  
benefit of any person who may be injured by the handler's failure 428  
to meet obligations arising under this chapter. A letter of credit 429  
shall be issued for the benefit of the department of agriculture 430  
and the agricultural commodity depositors fund. 431

~~In (5) The Director shall adopt rules in accordance with 432  
Chapter 119. of the Revised Code specifying the assets for which 433  
credit may be given in determining an applicant's total net worth,  
credit may be given for fixed assets such as buildings, machinery,  
and equipment, in the amount of the insured value of such assets 435  
under a policy of insurance against loss or damage or, at the 436  
discretion of the director, in the amount of their current market 437  
value as determined by an accredited rural appraiser or an 438  
appraiser certified by the American appraisal institute. The 439  
appraiser shall be completely independent of any relationship with 440  
the handler. Capital stock shall not be considered a liability for 441  
the purpose of determining total net worth. Regardless, 442  
443~~

(6) On the effective date of this amendment, regardless of 444  
the total number of bushels of agricultural commodities that ~~he~~ an 445  
applicant handled during the immediately preceding twelve-month 446  
period, ~~an~~ the applicant's total net worth need not exceed a 447

maximum of three hundred thousand dollars. One year after the 448  
effective date of this Amendment, this maximum total net worth 449  
need not exceed three hundred thirty thousand dollars. for the 450  
next four years, this maximum total net worth shall continue to 451  
increase by thirty thousand dollars each year on the anniversary 452  
of the effective date of this amendment, so that five years after 453  
the effective date of this amendment, an applicant's total net 454  
worth need not exceed four hundred fifty thousand dollars. 455

(C) In order for the director to determine if an applicant 456  
meets the standards of financial responsibility required under 457  
division (B) of this section, the applicant for a handler's 458  
license, or renewal of a handler's license, shall submit a ~~current~~ 459  
~~financial statement~~ statements that have been prepared in 460  
accordance with generally accepted accounting principles and that 461  
have been audited or reviewed by a ~~qualified person who is not~~ 462  
~~directly associated with the applicant's business~~ an independent 463  
certified public accountant. The financial ~~statement~~ statements 464  
shall consist of a ~~the applicant's~~ balance sheet ~~showing the~~ 465  
~~current and deferred assets and liabilities of the applicant, a,~~ 466  
income statement of income, a statement of retained earnings or 467  
statement of stockholder's equity, a and statement of changes in 468  
~~financial position~~ cash flows, and whatever notes are sufficient 469  
~~to explain the details contained in the financial statement~~ 470  
together with any explanatory footnotes or supplementary 471  
information accompanying these statements and with the independent 472  
accountant's report on the statements. 473

The financial ~~statement~~ statements accompanying an 474  
applicant's original application shall ~~show a statement closing~~ 475  
~~date that is~~ be for a year ending within six months ~~of~~ before the 476  
date of application. Thereafter, the applicant applying for 477  
renewal shall submit an ~~annual statement~~ such statements not later 478  
than ninety days after the ~~close~~ end of ~~his business~~ the year 479

covered by the statements. 480

The director may require an applicant for a handler's 481  
license, or renewal of a handler's license, to submit a financial 482  
~~statement prepared~~ statements audited by a an independent 483  
~~certified public accountant licensed under the laws of this state,~~ 484  
~~and may require the attachment to the statement of the~~ 485  
~~accountant's opinion of the applicant's financial status based on~~ 486  
~~his examination of the records conducted in accordance with~~ 487  
~~generally accepted auditing standards~~ if the director determines 488  
that the ~~first~~ financial ~~statement~~ statements initially submitted 489  
under this division ~~is~~ are incomplete or otherwise unsatisfactory. 490

(D) The director may prepare and publish statistical 491  
abstracts of information obtained under this section without 492  
disclosing details that would identify a particular applicant with 493  
particular statistics. Such information otherwise is ~~otherwise~~ 494  
confidential for purposes of section 102.03 of the Revised Code, 495  
and records of the department of agriculture containing such 496  
information are not otherwise public records under section 149.43 497  
of the Revised Code. 498

**Sec. 926.10.** The director of agriculture ~~may,~~ by order, may 499  
refuse to grant or may suspend or conditionally suspend a 500  
handler's license, without prior hearing, when ~~he~~ the director 501  
determines that there is reasonable cause to believe that the 502  
applicant or licensee: 503

(A) Has failed to maintain the insurance coverage required 504  
under section 926.07 of the Revised Code; 505

(B) Has failed to maintain accurate and complete records and 506  
accounts as required under section 926.11 of the Revised Code; 507

(C) Has failed to charge, collect, or remit the fee required 508  
under division (B) of section 926.16 of the Revised Code; 509

(D) Has refused to allow the director or ~~his~~ the director's 510  
authorized representative to examine, at a reasonable time, ~~his~~ 511  
the applicant's or licensee's accounting records, accounts, 512  
agricultural commodity inventories, or warehouse; 513

(E) Does not ~~have in his possession~~ possess sufficient 514  
agricultural commodities to cover the outstanding receipts or 515  
tickets issued or assumed by ~~him~~ the applicant or licensee under 516  
bailment agreements; 517

(F) Has issued a receipt in violation of this chapter or any 518  
rules adopted under it; 519

(G) Does not have the net assets specified in division (B) of 520  
section 926.06 of the Revised Code or has failed to obtain a bond 521  
or other protection for any deficiency in required net assets as 522  
provided in that division; 523

(H) Does not have ~~his~~ the obligations for agricultural 524  
commodities purchased under delayed price agreements secured or 525  
represented as required under division (B) or (C) of section 526  
926.29 of the Revised Code; 527

(I) Does not submit financial statements that comply with the 528  
requirements of division (C) of section 926.06 of the Revised Code 529  
within the applicable time period specified in that division; 530

(J) Does not notify the director of a statutory agent's 531  
change of address or of the death, removal, resignation, or 532  
revocation of the appointment of a statutory agent or does not 533  
appoint another agent in accordance with section 926.051 of the 534  
Revised Code. 535

The applicant or licensee to whom a denial ~~or~~ suspension, or 536  
conditional suspension order is issued shall be afforded a hearing 537  
in accordance with Chapter 119. of the Revised Code, after which 538  
the director shall issue or deny the license applied for in the 539

pending application or reinstate or revoke the suspended or 540  
conditionally suspended license. The director may suspend ~~or~~ 541  
conditionally suspend, or revoke a license after a hearing held in 542  
accordance with Chapter 119. of the Revised Code for any other 543  
violations of this chapter or any rules adopted under it. 544

The director shall cause a notice to be posted on the 545  
property of a person whose license has been suspended, 546  
conditionally suspended, or revoked stating the limitations or 547  
restrictions imposed on the person in the handling of agricultural 548  
commodities as a result of the suspension, conditional suspension, 549  
or revocation. The notice shall not be removed from the property 550  
without written authorization from the director. 551

**Sec. 926.16.** (A) There is hereby created in the state 552  
treasury the agricultural commodity depositors fund. The state 553  
shall not be held liable for any claims presented against the fund 554  
under section 926.18 of the Revised Code. The fund shall consist 555  
of a per-bushel fee remitted by licensed handlers under this 556  
section, any sums that the director of agriculture may collect by 557  
any legal action on behalf of the fund, and any property or 558  
securities acquired through the use of moneys in the fund. The 559  
moneys collected under this section and deposited in the fund 560  
shall be used exclusively to indemnify depositors as provided in 561  
section 926.18 of the Revised Code and for no other purpose. 562

(B) All licensed handlers shall remit ~~such the~~ the fee ~~as is~~ 563  
determined by the director in accordance with section 926.17 of 564  
the Revised Code on: 565

(1) All agricultural commodities delivered to them for 566  
storage under a bailment agreement or for sale, exchange, or 567  
negotiation or solicitation of sale by depositors who produced 568  
them or caused them to be produced; 569

(2) All agricultural commodities delivered to them for 570

storage under a bailment agreement, regardless of who produced the 571  
commodities, if a receipt is to be issued for the commodities; 572

(3) All agricultural commodities that are being stored by 573  
licensed handlers who own them solely, jointly, or in common with 574  
others and who are issuing a receipt for them in accordance with 575  
section 926.25 of the Revised Code. The maximum number of bushels 576  
on which a licensed handler shall be required to pay the fee under 577  
division (B)(3) of this section between the first day of July and 578  
the thirtieth day of June of any marketing year shall be the 579  
greatest number of bushels of all commodities for which receipts 580  
are outstanding at any one time during that period. 581

(4) All agricultural commodities that are not involved in a 582  
transaction described in division (B)(1), (2), or (3) of this 583  
section and the monetary proceeds of which are controlled by a 584  
handler who is not involved in the production of the commodities 585  
and who serves as an intermediary between the producer and a 586  
handler receiving the commodities. In such a situation, the 587  
handler responsible for paying the producer shall remit the fee. 588

(C) All licensed handlers shall account for and remit moneys 589  
under division (B) of this section to the director in such manner 590  
and using such forms as the director shall prescribe by rule. 591

(D) All disbursements from the fund shall be paid by the 592  
treasurer of state pursuant to vouchers authorized by the 593  
director. 594

(E) All interest earned by the fees collected under this 595  
section shall be credited to the fund and, at the request of the 596  
director of agriculture and to the extent necessary to pay the 597  
examination and administrative costs of this chapter as provided 598  
in section 926.19 of the Revised Code, may be transferred by the 599  
director of budget and management to the commodity handler 600  
regulatory program fund created in that section. 601

Sec. 926.18. (A) When a depositor has made a demand for 602  
settlement of an obligation concerning an agricultural commodity 603  
on which a fee was required to be remitted under section 926.16 of 604  
the Revised Code and the licensed handler has failed to honor the 605  
demand, the depositor, after providing the director of agriculture 606  
or ~~his~~ the director's authorized representative with evidence of 607  
~~his~~ the depositor's demand and the dishonoring of ~~his~~ that demand, 608  
may file a claim with the director not later than six months after 609  
dishonor of the demand for indemnification of ~~his~~ the depositor's 610  
damages, from the agricultural commodity depositors fund, to be 611  
measured as follows: 612

(1) The commodity advisory commission created in section 613  
926.32 of the Revised Code shall establish the dollar value of the 614  
loss incurred by a depositor holding a receipt or a ticket for 615  
agricultural commodities on which a fee was required and that ~~he~~ 616  
the depositor delivered to the handler under a delayed price 617  
agreement ~~or under a~~, bailment agreement, or feed agreement, or 618  
that the depositor delivered to the handler before delivery was 619  
due under a contract or other agreement between the depositor and 620  
handler. The value shall be based on the fair market price being 621  
paid to producers by handlers for the commodities on the date on 622  
which the director received notice that the receipt or ticket was 623  
dishonored by the handler. All depositors filing claims under this 624  
division shall be bound by the value determined by the commission. 625

(2) The dollar value of the loss incurred by a depositor who 627  
has sold or delivered for sale, exchange, or solicitation or 628  
negotiation for sale agricultural commodities on which a fee was 629  
required and who is a creditor of the handler for all or a part of 630  
the value of the commodities shall be based on the amount stated 631  
on the obligation on the date of the sale. 632

(B) The agricultural commodity depositors fund shall be 633  
liable to a depositor for any moneys that are not recovered 634  
through other legal and equitable remedies as follows: 635

(1) For commodities stored with a licensed handler under a 636  
bailment agreement for one hundred per cent of ~~his~~ the depositor's 637  
loss as determined under division (A)(1) of this section; 638

(2) For commodities ~~stored~~ deposited with a licensed handler 639  
under an agreement other than a bailment agreement for one hundred 640  
per cent of the first ten thousand dollars of ~~his~~ the depositor's 641  
loss and eighty per cent of the remaining dollar value of ~~his~~ that 642  
loss as determined under divisions (A)(1) and (2) of this section. 643  
The aggregate amount recovered by a depositor under all remedies 644  
shall not exceed one hundred per cent of the value of ~~his~~ the 645  
depositor's loss. If the moneys recovered by a depositor under all 646  
remedies exceed one hundred per cent of the value of ~~his~~ the 647  
depositor's loss, the depositor shall reimburse the fund in the 648  
amount that exceeds the value of ~~his~~ that loss. 649

(C) The director, with the approval of the commodity advisory 650  
commission, shall determine the validity of all claims presented 651  
against the fund. A claim filed under this section for losses on 652  
agricultural commodities other than commodities stored under a 653  
bailment agreement shall not be valid unless the depositor has 654  
made a demand for settlement of the obligation within twelve 655  
months after the commodities are priced ~~or delivered for sale,~~ 656  
~~whichever occurs later~~. Any depositor whose claim has been refused 657  
by the director and the commission may appeal the refusal ~~to~~ 658  
either to the court of common pleas of Franklin county or the 659  
court of common pleas of the county in which the depositor 660  
resides. 661

The director shall provide for payment from the fund to any 662  
depositor whose claim has been found to be valid. 663

(D) If at any time the fund does not contain sufficient 664  
assets to pay valid claims, the director shall hold those claims 665  
for payment until the fund again contains sufficient assets. 666  
Claims against the fund shall be paid in the order in which they 667  
are presented and found to be valid. 668

(E) If a depositor files an action for legal or equitable 669  
remedies in a state or federal court having jurisdiction in those 670  
matters that includes a claim against agricultural commodities 671  
upon which the depositor may file a claim against the fund at a 672  
later date, ~~he~~ the depositor also shall ~~also~~ file with the 673  
director a copy of the action filed with the court. 674

In the event of payment of a loss under this section, the 675  
director shall be subrogated to the extent of the amount of any 676  
payments to all rights, powers, privileges, and remedies of the 677  
depositor against any person regarding the loss. 678

The depositor shall render all necessary assistance to aid 679  
the director in securing the rights granted in this section. No 680  
action or claim initiated by the depositor and pending at the time 681  
of payment from the fund may be compromised or settled without the 682  
consent of the director. 683

(F) If, prior to ~~the effective date of this amendment~~ June 684  
20, 1994, a lawsuit, adversary proceeding, or other legal 685  
proceeding is brought against a depositor to recover money or 686  
payments from funds to which a depositor has a right of 687  
indemnification under this section, and the depositor retains 688  
legal counsel resulting in a cost or expense to the depositor, 689  
upon the rendering of a judgment or other resolution of the 690  
lawsuit, adversary proceeding, or other legal proceeding, the 691  
director, in ~~his~~ the director's discretion and with the approval 692  
of the commodity advisory commission, may authorize 693  
indemnification from the fund for attorney's fees paid by the 694

depositor. Any claim made by a depositor for the payment of 695  
attorney's fees under this division shall be made in the same 696  
manner as a claim under division (A) of this section. 697

Attorney's fees payable under this division shall be limited 698  
to the actual hourly fee charged or one hundred dollars per hour, 699  
whichever is less, and to a total maximum amount of three hundred 700  
dollars. 701

**Sec. 926.19.** (A) There is hereby created in the state 702  
treasury the commodity handler regulatory program fund. The moneys 703  
in the fund shall be used to pay the examination and 704  
administrative costs of this chapter and shall consist of: 705

(1) All revenues collected by the director of agriculture 706  
from distribution of the receipt forms under division (B) of 707  
section 926.20 of the Revised Code and such other forms and 708  
registration books as the director may require by rule for the 709  
administration of this chapter; 710

(2) The application and examination fees collected under 711  
division (B) of section 926.05 of the Revised Code; 712

(3) The agricultural commodity tester certificate fees 713  
collected under division (B) of section 926.30 of the Revised 714  
Code; 715

(4) Interest income transferred from the agricultural 716  
commodity depositors fund under section 926.16 of the Revised 717  
Code; 718

(5) All fines, penalties, and costs, except court costs, that 719  
are collected under section 926.99 Of the Revised Code in 720  
consequence of a violation of this chapter; 721

(6) All sums collected by the director of agriculture under a 722  
contract described in section 926.36 Of the Revised Code. 723

(B) The examination and administrative costs of this chapter 724

shall be computed by the director not later than the thirty-first 725  
day of December of each even-numbered year to cover the biennium 726  
that begins on the following first day of July. The commodity 727  
advisory commission created in section 926.32 of the Revised Code 728  
shall approve, and may amend, the examination and administrative 729  
costs. The commission's decision shall be binding on the director. 730  
The commission ~~may~~ also at any time may approve for presentation 731  
to the controlling board a request to increase or decrease the 732  
appropriation authority for the biennial examination and 733  
administrative costs if it determines that an increase or decrease 734  
in the cost is necessary to carry out the purpose of this chapter. 735  
736

(C) If at any time the moneys deposited in the fund, 737  
including interest income transferred from the agricultural 738  
commodity depositors fund under section 926.16 of the Revised 739  
Code, are not sufficient to pay the examination and administrative 740  
costs of this chapter, the director shall request an appropriation 741  
from the general revenue fund to pay those costs. 742

**Sec. 926.29.** (A) A delayed price agreement is an executory 743  
contract ~~which~~ that shall be in such a form and contain such terms 744  
as the director of agriculture shall adopt by rule under Chapter 745  
119. of the Revised Code. The agreement shall be executed by and 746  
between the licensed handler and the depositor or by their 747  
authorized representatives not later than fifteen days after the 748  
first delivery of an agricultural commodity is received for 749  
delayed pricing under the agreement. The handler shall maintain a 750  
file of executed agreements that are available for inspection at 751  
any reasonable time by the director or ~~his~~ the director's 752  
designated representative. The handler also shall ~~also~~ keep 753  
records and ledgers the director considers necessary to document 754  
the handler's obligation to the depositor under a delayed price 755  
agreement. ~~He~~ The handler also shall ~~also~~ provide reports, forms, 756

and other evidence the director shall adopt by rule to document 757  
the storage and marketing of commodities under the delayed price 758  
agreement. 759

(B) ~~Except~~ Subject to the lien that attaches under section 760  
926.021 Of the Revised Code and except as otherwise provided in 761  
division (C) of this section, a licensed handler who purchases any 762  
agricultural commodity under a delayed price agreement at all 763  
times shall ~~at all times~~ maintain the commodity, rights in the 764  
commodity, proceeds from the sale of the commodity, or a 765  
combination of the commodity, rights, and proceeds equal to at 766  
least ninety per cent of the value of ~~his~~ the handler's obligation 767  
for all commodities that ~~he~~ the handler has purchased that are not 768  
priced under delayed price agreements. The obligation shall be 769  
secured or represented by one or more of the following: 770

(1) Maintenance of the commodity in storage in the handler's 771  
warehouse; 772

(2) Rights in commodities as evidenced by a receipt or ticket 773  
for storage of the commodities under a bailment agreement in 774  
another warehouse approved by the director; 775

(3) Proceeds from the sale of commodities as evidenced or 776  
represented by one or more of the following: 777

(a) Cash on hand or held on account in a state or federally 778  
licensed financial institution or a lending agency of the farm 779  
credit administration; 780

(b) Short-term investments held in time accounts with state 781  
or federally licensed financial institutions or a lending agency 782  
of the farm credit administration; 783

(c) Balances in commodity margin accounts; 784

(d) Commodities sold and shipped by the handler under delayed 785  
price agreements that have not been priced less any payments or 786

advances that have been received by the handler; 787

(e) Such other evidence of unencumbered assets as may be 788  
acceptable to the director, including an irrevocable letter of 789  
credit. 790

(C) ~~A~~ In addition to the lien that attaches under section 791  
926.021 Of the Revised Code, a depositor who sells an agricultural 792  
commodity to a licensed handler under a delayed price agreement 793  
~~may~~, upon giving notice to the handler either at or prior to the 794  
time of delivery, may demand as security for payment for the 795  
commodity an amount that, at the time of delivery, is equal to one 796  
hundred per cent of the national loan rate value of the commodity 797  
under the United States department of agriculture price support 798  
program, or seventy-five per cent of the average price being paid 799  
for the commodity in the state on the date of demand as published 800  
by the market news service of the department of agriculture, 801  
whichever is less. The handler shall satisfy a demand for security 802  
on a commodity sold under a delayed price agreement at the 803  
handler's option by one of the following: 804

(1) Payment to the depositor by cash or bank draft on the 805  
account of the handler; 806

(2) Causing an irrevocable letter of credit to be issued to 807  
the depositor by a bank designated by the handler securing payment 808  
in the specified amount. The letter of credit shall be subject to 809  
Chapter 1305. of the Revised Code and rules adopted by the 810  
director pursuant to Chapter 119. of the Revised Code. 811

**Sec. 926.30.** (A) No licensed handler or employee of a 812  
licensed handler who receives an agricultural commodity from a 813  
producer, either for sale or for storage under a bailment 814  
agreement, shall perform a quality test on the commodity for the 815  
purpose of applying a premium, discount, or conditioning charge 816

unless the person making the test has ~~completed a training course~~ 817  
~~or on the job training as an agricultural commodity tester~~ passed 818  
an examination on the subject that is approved by the director of 819  
agriculture. Upon application by a person who has passed the 820  
examination, the director shall issue to the person an 821  
agricultural commodity tester certificate that shall be valid for 822  
a period of three years. Except as otherwise provided in this 823  
division, an agricultural commodity tester shall pass an 824  
examination on agricultural commodity testing approved by the 825  
director prior to each renewal of a certificate. The director may 826  
exempt from the examination requirement for certificate renewal an 827  
agricultural commodity tester who, during the year prior to 828  
expiration of the certificate, successfully completes training on 829  
agricultural commodity testing that has been approved by the 830  
director. The director ~~of agriculture~~ shall establish by rule ~~the~~ 831  
~~curriculum for the training course or on the job~~ standards that 832  
such training ~~that shall~~ must meet in order to be approved by the 833  
director. The rules shall require the training to include 834  
instructions in the use of the official grain standards of the 835  
United States as a basis for determining the quality of the 836  
commodities tested by an agricultural commodity tester. An 837  
agricultural commodity tester certificate issued prior to the 838  
effective date of this amendment shall be considered to be valid 839  
until the date on which, at the time of issuance, it was scheduled 840  
to expire. Upon expiration of the certificate, the examination 841  
requirement for renewal shall apply. 842

(B) ~~Upon successful completion of the training required under~~ 843  
~~division (A) of this section and upon application by the trainee,~~ 844  
~~the director shall issue to an agricultural commodity tester a~~ 845  
~~certificate that shall be valid for a period of two years. The~~ 846  
director may determine that retraining or review is necessary for 847  
the tester as a result of changes in or amendments to the official 848

grain standards of the United States, or if the director has 849  
reason to believe that retraining is necessary as a result of 850  
complaints relating to the tester's inability to accurately test 851  
commodities according to the official grain standards. A fee to 852  
cover the cost of issuing certificates and administering the 853  
educational program shall be established by rule of the director 854  
adopted under Chapter 119. of the Revised Code and shall be 855  
deposited into the commodity handler regulatory program fund 856  
created in section 926.19 of the Revised Code. 857

(C) The director may suspend or revoke the certificate of an 858  
agricultural commodity tester in accordance with Chapter 119. of 859  
the Revised Code for failure or inability of the tester to apply 860  
the official grain standards of the United States in testing the 861  
quality of an agricultural commodity. 862

**Sec. 926.32.** (A) There is hereby created the commodity 863  
advisory commission consisting of seven members to be appointed by 864  
the director of agriculture. Not later than January 1, 1983, the 865  
director shall make appointments to the commission. Of the initial 866  
appointments, three shall be for terms ending January 1, 1984, two 867  
shall be for terms ending January 1, 1985, and two shall be for 868  
terms ending January 1, 1986. Thereafter, terms of office shall be 869  
for three years, each term ending on the same day of the same 870  
month of the year as did the term that it succeeds. Each member 871  
shall hold office from the date of ~~his~~ appointment until the end 872  
of the term for which ~~he~~ the member was appointed. Any member 873  
appointed to fill a vacancy occurring prior to the expiration of 874  
the term for which ~~his~~ the member's predecessor was appointed 875  
shall hold office for the remainder of the term. Any member shall 876  
continue in office subsequent to the expiration date of ~~his~~ the 877  
member's term until ~~his~~ the member's successor takes office or 878  
until a period of sixty days has elapsed, whichever occurs first. 879

(B) The commission shall at all times be composed of three 881  
farmers who are ~~primarily~~ engaged primarily in the production of 882  
agricultural commodities, one licensed handler who is the manager 883  
of a farmers cooperative, one licensed handler who is the owner 884  
and operator of a warehouse located in a rural area, one licensed 885  
handler representing a warehouse located at a major agricultural 886  
commodity transportation center, and one banker who is an officer 887  
of a rural bank. The director shall ~~annually~~ designate annually 888  
one member of the commission to serve as its ~~chairman~~ chairperson 889  
and ~~may~~, after notice and public hearing, may remove any member 890  
only for neglect of duty or malfeasance in office. 891

(C) A vacancy on the commission shall not impair the right of 892  
the other members to exercise all of the commission's powers. Two 893  
farmer members and two handler members shall constitute a quorum 894  
for the conduct of business of the commission. 895

(D) The commission shall meet ~~in Columbus~~ at least three 896  
times annually at times that the commission shall set by rule and 897  
may meet at other times that the ~~chairman~~ chairperson or a 898  
majority of the commission members considers appropriate; 899  
provided, that no meeting shall be held on the call of the 900  
~~chairman~~ chairperson unless at least seven days' written notice is 901  
first given to all members of the commission. 902

(E) Each member shall be reimbursed for ~~his~~ the member's 903  
actual and necessary expenses incurred in the discharge of ~~his~~ 904  
duties as a commission member. 905

(F) The commission may adopt, amend, or rescind rules or 906  
procedures governing the conduct of its internal affairs. 907

(G) The commission may request from the director, and the 908  
director shall provide, meeting space, assistance, services, and 909  
data to enable it to carry out its functions. 910

(H) All costs of the commission, including all of the 911

expenses of its members and consultants authorized in this 912  
section, shall be paid from the commodity handler regulatory 913  
program fund created in section 926.19 of the Revised Code 914  
pursuant to itemized vouchers approved by the ~~chairman~~ chairperson 915  
of the commission and the director. 916

(I) The director shall designate an official or employee of 917  
the department of agriculture to act as the executive secretary of 918  
the commission. The director also may ~~also~~ request the attendance 919  
at meetings of the commission consultants with expertise in 920  
agricultural law, marketing, statistics, or any other subject to 921  
advise and consult with the commission on matters on the agenda of 922  
any regular or special meeting of the commission. The expenses 923  
incurred by consultants attending those meetings shall be 924  
reimbursed according to division (H) of this section. The 925  
executive secretary shall keep or cause to be kept a permanent 926  
journal of all meetings, proceedings, findings, determinations, 927  
and recommendations of the commission, including an itemized 928  
statement of the expenses allowed to each member of the commission 929  
and consultants under this section. The journal shall be a public 930  
record. 931

(J) In addition to the authority granted in division (F) of 932  
section 926.05, division (B) of section 926.17, divisions (A) and 933  
(C) of section 926.18, and division (B) of section 926.19 of the 934  
Revised Code, the commission shall advise and counsel the director 935  
on all matters relating to: 936

(1) The administration of this chapter; 937

(2) The development of rules authorized by section 926.02 of 938  
the Revised Code; 939

(3) Any other matters that the commission and the director 940  
consider appropriate in carrying out this chapter. 941

Sec. 926.36. The Director of Agriculture may enter into a 942

contract with a marketing association that is involved in a 943  
program designed to improve or expand the market for an 944  
agricultural commodity and funded by an assessment that is levied 945  
on producers of the agricultural commodity and calculated on the 946  
basis of the volume of agricultural commodities produced by the 947  
producer. Under the contract, the marketing association may agree 948  
to pay the Director a mutually acceptable sum and in exchange the 949  
Director may agree to furnish the marketing association with 950  
information that the Director obtains under section 926.11 of the 951  
Revised Code regarding the volume of commodities produced by 952  
producers who participate in the marketing program, and related 953  
financial information. 954

The marketing association may use the information to 955  
determine whether a producer has truthfully disclosed the volume 956  
of agricultural commodities produced by the producer and whether 957  
the marketing association has received the correct amount in 958  
assessments. 959

Any sum paid to the Director under a contract entered into 960  
under this section shall be deposited in the commodity handler 961  
regulatory program fund created in section 926.19 of the Revised 962  
Code. 963

**Sec. 926.99.** (A) Whoever (1) Except as provided in division 964  
(A)(2) of this section, whoever violates section 926.04 of the 965  
Revised Code is guilty of a ~~minor~~ misdemeanor of the first degree 966  
on a first offense and a felony of the fifth degree on each 967  
subsequent offense. 968

(2) A person who violates section 926.04 of the Revised Code 969  
and who is insolvent and financially unable to satisfy a claimant 970  
as defined in section 926.021 of the Revised Code is guilty of a 971  
felony of the fifth degree if the financial obligation owed by the 972  
offender to the claimant is five hundred dollars or more and is 973

less than five thousand dollars. If the financial obligation is 974  
five thousand dollars or more and is less than one hundred 975  
thousand dollars, the offender is guilty of a felony of the fourth 976  
degree. If the financial obligation is one hundred thousand 977  
dollars or more, the offender is guilty of a felony of the third 978  
degree. 979

(B) Whoever violates division (E) or (F) of section 926.20 or 980  
division (A) of section 926.22 of the Revised Code is guilty of a 981  
minor misdemeanor on a first offense and a misdemeanor of the 982  
second degree on each subsequent offense. 983

(C) Whoever violates division (G) of section 926.20 or 984  
section 926.34 or 926.35 of the Revised Code is guilty of a felony 985  
of the fourth degree. 986

(D) Whoever violates division (A) of section 926.28, or 987  
division (B) of section 926.29, of the Revised Code is guilty of a 988  
felony of the fifth degree. 989

(E) Whoever violates section 926.31 of the Revised Code is 990  
guilty of a misdemeanor of the fourth degree. 991

**Section 2.** That existing sections 926.01, 926.021, 926.05, 992  
926.06, 926.10, 926.16, 926.18, 926.19, 926.29, 926.30, 926.32, 993  
and 926.99 of the Revised Code are hereby repealed. 994