

SB0505



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB0505

Introduced 1/24/2017, by Sen. John J. Cullerton

SYNOPSIS AS INTRODUCED:

240 ILCS 40/30-10

Amends the Grain Code. Makes a technical change in a Section concerning participants in the Illinois Grain Insurance Fund.

LRB100 05219 RPS 15229 b

A BILL FOR

1 AN ACT concerning warehouses.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Grain Code is amended by changing Section
5 30-10 as follows:

6 (240 ILCS 40/30-10)

7 Sec. 30-10. Participants in the Fund.

8 (a) A licensee under this Code is subject to this Article
9 and ~~and~~ shall collect and pay assessments into the Fund as
10 provided in Section 5-30.

11 (b) Except as provided in subsection (c) of this Section, a
12 person engaged in the business of a grain dealer or
13 warehouseman but not licensed under this Code shall not
14 participate in or benefit from the Fund and its claimants shall
15 not receive proceeds from the Fund.

16 (c) Participation of federal warehousemen.

17 (1) A federal warehouseman may participate in the Fund.
18 If a federal warehouseman chooses to participate in the
19 Fund, it shall to the extent permitted by federal law:

20 (A) pay assessments into the Fund;

21 (B) be deemed a licensee and a warehouseman under
22 this Code;

23 (C) be subject to this Code; and

1 (D) execute a cooperative agreement between itself
2 and the Department.

3 (2) The cooperative agreement shall, at a minimum,
4 provide each of the following to the extent permitted by
5 federal law:

6 (A) Authorization for the Department to obtain
7 information about the federal warehouseman including,
8 but not limited to, bushel capacity of storage space,
9 financial stability, and examinations performed by
10 employees of the United States Department of
11 Agriculture.

12 (B) That the federal warehouseman submits itself
13 to the jurisdiction of the Department and that it
14 agrees to be subject to and bound by this Code and
15 deemed a licensee under this Code.

16 (C) That in the event of a failure of the federal
17 warehouseman, the Department shall have authority to
18 seize, liquidate, and collect upon all grain assets,
19 collateral, and guarantees relating to the federal
20 warehouseman as in the case of any other licensee.

21 (D) Such other requirements as established by
22 rule.

23 (3) A federal warehouseman that participates in the
24 Fund shall at a minimum meet the licensing requirements of
25 this Code and shall comply with all requirements of a
26 licensee and a warehouseman under this Code to the extent

1 permitted by federal law.

2 (d) A federal warehouseman that participates in the Fund or
3 a warehouseman that desires to or has become a federal
4 warehouseman cannot withdraw from participation in the Fund for
5 the benefit of existing depositors until the occurrence of all
6 of the following:

7 (1) Payment in full by the federal warehouseman or
8 withdrawing warehouseman of all assessments under
9 subsection (a) of Section 5-30.

10 (2) Payment in full by the federal warehouseman or
11 withdrawing warehouseman of all assessments instituted
12 under subsection (d) of Section 5-30 on or after an
13 assessment determination date that occurs before the
14 federal warehouseman or withdrawing warehouseman notifies
15 the Department that it desires to withdraw from
16 participation in the Fund and before the issuance by the
17 Department of a certificate of withdrawal from the Fund.

18 (3) The expiration of 30 days following the later of:

19 (A) the date the federal warehouseman or
20 withdrawing warehouseman has ceased providing its
21 depositors with coverage under the Fund;

22 (B) the date the federal warehouseman or
23 withdrawing warehouseman has posted at each of its
24 locations a notice stating when it will cease providing
25 its depositors with coverage under the Fund;

26 (C) notification of all potential claimants by the

1 federal warehouseman or withdrawing warehouseman of
2 the date on which it will cease providing its
3 depositors with coverage under the Fund; and

4 (D) Completion of an audit and examination
5 satisfactory to the Department as provided for in this
6 Code and by rule, which is to be the Department's final
7 examination.

8 (4) Obtaining releases of liability from all existing
9 depositors or posting collateral with the Department for
10 270 days after withdrawing from the Fund in an amount equal
11 to the liability to existing depositors who have not
12 executed releases before the completion of the
13 Department's final examination.

14 (5) Compliance with all notification requirements as
15 provided for in this Code and by rule.

16 (6) Issuance by the Department of a certificate of
17 withdrawal from the Fund when the federal warehouseman or
18 withdrawing warehouseman has met all requirements for
19 withdrawal from participation in the Fund.

20 (e) Before a federal warehouseman or a warehouseman that
21 desires to or has become a federal warehouseman may withdraw
22 from participation in the Fund, it must pay for an audit and
23 examination and must provide to the Department all names and
24 addresses of potential claimants for the purposes of
25 notification of withdrawal of participation in the Fund.

26 (Source: P.A. 93-225, eff. 7-21-03.)