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Requirements for Grain Dealers

State of Georgia

Bonding

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Requirements for Grain Dealers

STATE OF GEORGIA

Current with legislation from the 2014 Reg.Sess..

Ga. Code Ann., § 2-9-33 **§ 2-9-33. Issuance of license; bond; fee; renewal**

Unless the Commissioner refuses the application on one or more of the grounds provided in Code Section 2-9-36, he or she shall issue to an applicant, upon the execution and delivery of a bond as provided in Code Section 2-9-34, a state license entitling the applicant to conduct business as a dealer in grain. A fee in an amount fixed by rule or regulation of the Commissioner at not less than \$100.00 nor more than \$150.00 per annum shall be charged for such license. All such licenses shall be renewed annually on or before June 30. Any license which is not renewed on or before such date shall expire on June 30. Any fees collected pursuant to this Code section shall be retained pursuant to the provisions of Code Section 45-12-92.1.

Ga. Code Ann., § 2-9-34 **§ 2-9-34. Surety bond required for license; cash bond in lieu of surety bond; revocation of license**

(a) Before any license is issued, the applicant shall make and deliver to the Commissioner a surety bond in the amount of 20 percent of the average of the highest dollar volume of grain purchases from producers made in any single month for each of the three preceding calendar years or such shorter period of years as the applicant has done business as a grain dealer, provided that the minimum amount of such bond shall be \$20,000.00 and the maximum amount of such bond shall be \$300,000.00. If a licensed grain dealer operates his or her grain-dealing activities at more than one physical location, he or she shall furnish a surety bond for each location of grain-dealing activities, each bond to be computed as stated in this Code section and each bond to be subject to the minimum and maximum amounts stated in this Code section. The bonds shall be executed by a surety corporation authorized to transact business in this state and approved by the Commissioner. Any and all bond applications shall be accompanied by a certificate of "good standing" issued by the Commissioner of Insurance. If any company issuing a bond shall be removed from doing business in this state, it shall be the duty of the Commissioner of Insurance to notify the Commissioner of Agriculture within 30 days. Such bonds shall be upon forms prescribed by the Commissioner and shall be conditioned to secure the faithful accounting for and payment to the producers or their agents or representatives of the proceeds of all grain handled or sold by such dealer. Whenever the Commissioner shall determine that a previously approved bond has for any cause become insufficient, the Commissioner may require an additional bond or bonds to be given, conforming with the requirements of this Code section. Unless the additional bond or bonds are given within the time fixed by written demand therefor, or if the bond of a dealer is canceled, the license of such person shall be immediately revoked by operation of law without notice or hearing.

- (b) In lieu of a surety bond, the Commissioner may accept a cash bond which shall be subject in all respects to the same claims and actions as would exist against a surety bond.
- (c) If the surety bond or cash bond of a licensed grain dealer is canceled, the license of such grain dealer shall immediately be revoked by operation of law without notice or hearing.

Ga. Code Ann., § 2-9-35

§ 2-9-35. Action on bond; complaint; notice and hearing; order of Commissioner

- (a) Any person claiming that he or she has been damaged by a breach of the conditions of a bond given by a licensee as provided in Code Section 2-9-34 may enter a complaint to the Commissioner. Such complaint shall be a written statement of the facts constituting the complaint and must be made within 180 days of the alleged breach. If the Commissioner determines that the complaint is prima facie a breach of the bond, and the matter can not be amicably resolved within 15 days, the Commissioner shall publish a solicitation for additional complaints regarding breaches of the bond for a period of not less than five consecutive issues in a newspaper of general circulation and in such other publications as the Commissioner shall prescribe. Additional complaints must be filed within 60 days following initial public notification of a breach of the bond. Civil actions on the breach of such bond shall not be commenced less than 120 days nor more than 547 days from the initial date of public notification of such breach of the bond.
- (b) Upon the filing of the complaint in the manner provided in this Code section, the Commissioner shall investigate the charges made and, at his discretion, order a hearing before him or his hearing officer, giving all parties concerned notice of the filing of such complaint and the time and place of such hearing. At the conclusion of the hearing, the Commissioner shall report his findings and render his conclusion upon the matter complained of to the complainant and respondent in the case, who shall have 15 days following such report in which to make effective and satisfy the Commissioner's conclusions.
- (c) If such settlement is not effected within such time, the Commissioner or the producer may institute appropriate legal proceedings to enforce the claim. If the producer is not satisfied with the ruling of the Commissioner, he may commence and maintain an action against the principal and surety on the bond of the parties complained of, as in any civil action.
- (d) If the bond or collateral posted is insufficient to pay the valid claims of producers in full, the Commissioner may direct that the proceeds of the bond shall be divided pro rata among the producers.

Ga. Code Ann., § 10-4-12

§ 10-4-12. Warehouseman's bond

- (a) Every person intending to engage in business as a warehouseman under this article shall, prior to commencing such business and periodically thereafter as the Commissioner shall require, execute and file with the Commissioner a good and sufficient bond to the state to secure the faithful performance of his or her obligation as a warehouseman under the terms of this article and the rules and regulations prescribed under this article, such bond to be computed in direct ratio to the licensed storage capacity of the warehouse bonded. The bond shall be executed by a surety corporation authorized to transact business in this state and approved by the Commissioner. Such bond shall be upon forms prescribed by the Commissioner. Any and all bond applications shall be accompanied by a certificate of "good standing" issued by the Commissioner of Insurance. If any company issuing a bond shall be removed

from doing business in this state, it shall be the duty of the Commissioner of Insurance to notify the Commissioner of Agriculture within 30 days. The Commissioner shall have authority to fix the bond for any part of licensed storage capacity of the warehouse being used; but in no event shall the amount of the bond be required to exceed 15 percent of the value of the products stored and the bond shall be in such form and amount and shall have such surety or sureties, subject to service of process in actions on the bonds with this state, as the Commissioner may prescribe; provided, however, the minimum bond to be posted for each warehouse shall be \$20,000.00 and the maximum bond to be required for each warehouse shall be \$300,000.00.

(b) If a warehouseman is also a grain dealer, the amount of the required bond shall be the greater of the bond required by subsection (a) of this Code section or the bond required under Code Section 2-9-34 for grain dealers who are not licensed under this article.

(c) Whenever the Commissioner shall determine that a previously approved bond has for any cause become insufficient, the Commissioner may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this Code section. Unless the additional bond or bonds are given within the time fixed by a written demand therefor, or if the bond of the warehouseman is canceled, the license of such warehouseman shall be immediately revoked by operation of law without notice or hearing. Code Sections 10-4-6 and 10-4-7 shall apply to this as well as all other Code sections of this article.