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## **Requirements for Grain Dealers**

**State of Ohio**

*Failure and Liquidation*

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## Requirements for Grain Dealers

### STATE OF OHIO

*Current with legislation from the 130th GA (2013-2014)*

#### **R.C. § 926.14**

#### **926.14 Shortage in commodities; procedure**

(A) Whenever the director of agriculture determines that a licensed handler does not have in his possession sufficient agricultural commodities to cover the outstanding receipts and tickets issued or assumed by him under a bailment agreement, or when the licensed handler refuses to submit his records or property to lawful inspection as provided under this chapter, the director may give notice to the licensed handler to:

- (1) Cover such shortage;
- (2) Furnish bond as required by the director;
- (3) Submit to such inspection as the director considers necessary.

(B) If the licensed handler fails to comply with the terms of the notice within twenty-four hours from the date of its issuance, or within such further time as the director may allow, the director may petition the court of common pleas of the county where the licensed handler's principal place of business is located, as shown by the license application, for an order authorizing the director to seize and take possession of all or a portion of the agricultural commodities located in the warehouse operated by the licensed handler and of all pertinent records and other property.

(C) Upon taking possession as provided in division (B) of this section, the director shall notify the holders of record, as shown by the licensed handler's records, of all receipts and tickets issued for agricultural commodities, to present their receipts or tickets for inspection, or to account for the same. The director may thereupon cause an audit and other investigation to be made of the affairs of the licensed handler, especially with respect to the agricultural commodities in which there is an apparent shortage, to determine the amount of such shortage and compute the shortage as to each depositor as shown by the licensed handler's records, if practicable.

(D) The director shall retain possession obtained under this section until such time as the licensed handler or the surety on any bond, required by the director under authority of division (A)(2) of this section, has satisfied the claims of all depositors, or until such time as the director is ordered by the court to surrender possession.

(E) If during or after the audit or other investigation provided for in this section, or at any other time, the director has evidence that the licensed handler is insolvent or is unable to satisfy the claims of all depositors, the director may petition the court of common pleas for the appointment of a receiver to operate or liquidate the business of the licensed handler.

(F) At any time within ten days after the director takes possession, the licensed handler may serve notice upon the director to appear in the court of common pleas of the county in which such warehouse is located at a time to be fixed by such court, which shall not be less than five, nor more than fifteen, days from the date of the service of such notice, and show cause why such possession should not be restored to the licensed handler.

(G) All necessary expenses incurred by the director or any receiver appointed under division (E) of this section may be recovered from the licensed handler in separate civil action brought by the director in the court of common pleas or recovered at the same time and as a part of the seizure or receivership action filed under this section. As a part of the expenses so incurred, the cost of adequate liability insurance necessary to protect the director, the receiver, and others engaged in carrying out this section may be included.

### **R.C. § 926.141**

#### **926.141 Appointment of receiver to operate or liquidate business of unlicensed handler**

If the director of agriculture obtains evidence that an unlicensed handler is insolvent or is unable to satisfy the claims of all depositors, the director may petition the court of common pleas of the county in which the unlicensed handler is located for the appointment of a receiver to operate or liquidate the business of the unlicensed handler.

All necessary expenses incurred by the director or a receiver appointed under this section may be recovered from the unlicensed handler in a separate civil action brought by the director in the court of common pleas or recovered at the same time and as a part of the receivership action filed under this section. As a part of the expenses so incurred, the cost of adequate liability insurance necessary to protect the director, the receiver, and others engaged in carrying out this section may be included.