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Requirements for Grain Dealers

State of Virginia

Bonding

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Requirements for Grain Dealers

STATE OF VIRGINIA

Current through the end of 2014 Reg. Sess.

VA Code Ann. § 3.2-4755

§ 3.2-4755. License and renewal fee; bond or irrevocable letter of credit required; exemption

A. All applications a for license or license renewal shall be accompanied by a license fee of \$40, \$10 for each branch location and agent, and a good and sufficient bond in an amount of \$2,000 or an amount equal to the maximum amount of gross business done in any month in the Commonwealth during the preceding year by the applicant, whichever is greater, but in no event shall the amount of bond required exceed \$40,000. An irrevocable letter of credit for the full amount of required bond may be submitted in lieu of a surety bond. A person, who upon written request shows proof satisfactory to the Commissioner that he is a cash buyer, shall be exempted from the bonding or irrevocable letter of credit requirements. The exemption shall be granted within 20 days of the receipt of the exemption request, unless the Commissioner requests the dealer to provide additional necessary information or unless the request is denied.

B. Any licensed grain dealer who fails to apply and qualify for the renewal of a license on or before the date of expiration, shall pay a penalty of \$25, which shall be added to the original license fee and shall be paid by the applicant before the renewal may be issued.

VA Code Ann. § 3.2-4756

§ 3.2-4756. Execution, terms and form of bond or irrevocable letter of credit; action on bond or irrevocable letter of credit; investigation of complaints

The bond shall be executed by the applicant as principal and by a surety company authorized and qualified to do business in the Commonwealth as surety. An irrevocable letter of credit may be issued on such terms as the Commissioner may require. The Commissioner shall be designated as the trustee of the bond or beneficiary of the irrevocable letter of credit, and a copy of the bond or irrevocable letter of credit shall be filed with him. The bond shall be in a form prescribed or approved by the Commissioner and shall be conditioned to secure the faithful accounting for payment to producers, agents or representatives, of all grain purchased, stored, handled or sold by the dealer. Any producer claiming to be injured by the nonpayment, fraud, deceit or negligence of any dealer may bring action upon the bond against the principal, or the surety, or both in an appropriate court. In the event the Commissioner receives written complaint from an injured producer of nonpayment, fraud, deceit or negligence of a dealer, the Commissioner may investigate such complaint and make recommendations to the surety company as to the culpability of the dealer, if any.

VA Code Ann. § 3.2-4757

§ 3.2-4757. Duties and powers of Commissioner with respect to bonds

The Commissioner may accept the proceeds from any bond on which he is trustee or any letter of credit on which he is beneficiary, and deposit the proceeds in the state treasury at interest in favor of the claimants. The Commissioner may institute and prosecute suits or action in the name of the Commonwealth on behalf of claimants known and approved by him in any appropriate court for any purpose in connection with the collection or distribution of the proceeds. It shall be the duty of any person having a claim against a grain dealer to notify the Commissioner of his claim. The Commissioner shall have no duty to prosecute any claim unless he has received such notice and believes the claim is valid. If the Commissioner believes the claim to be invalid, he shall notify the claimant. The claimant shall then have his remedy pursuant to § 3.2-4756. The Commissioner may appeal a decision of any court that is contrary to any distribution recommended or authorized by him.