

# SB0768



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

**SB0768**

Introduced 2/8/2011, 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.

LRB097 04489 ASK 44528 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.)