

AGRIBUSINESS COUNCIL OF INDIANA NEWSLETTER
Promoting Agribusiness Policy in Indiana
February 2, 2017

Legislative Developments From the Indiana Statehouse

House Bill 1237 & Senate Bill 476- Grain Buyers

Please contact your state senator now and ask them to vote "NO" on SB 476. You can find your legislator [HERE](#) or call (800) 382-9467.

While no additional hearings or votes occurred last week on grain indemnity and grain buyer warehouse bills, much dialogue occurred between ACI lobbyists and key legislators in the House and Senate. On Tuesday, ACI lobbyist Mark Shublak and ACI member Ron Reichart met with legislators and other interest groups to discuss amendments to House Bill 1237. As has been reported earlier, ACI favors House Bill 1237 and opposes the current language in Senate Bill 476.

In Tuesday's meeting, ACI maintained its position that retroactive coverage for participants is a bad precedent to set as it weakens the integrity of the fund against future legislative changes that could be worse. However, ACI's top concern is language in Senate Bill 476 that would require agribusinesses to notify customers when their coverage under the fund expires. Such a requirement is unworkable given the different types of contracts and multiple deliveries. ACI representatives emerged from this meeting gratified that policymakers understood the problems with this language and exhibited willingness to address ACI's top concerns.

Next week, the Senate Agriculture Committee will meet on Monday, February 6th at 10:00 to amend Senate Bill 476. The Committee previously heard testimony from ACI objecting to the bill as drafted. We anticipate that the members in Monday's meeting will amend the bill and vote without additional testimony. At this time, ACI continues to register its objections to Senate Bill 476 due to onerous notice requirements that mandate notification by a grain buyer to a customer when coverage lapses and the bad precedent it sets for retroactive protection.

Later in the week, the House Agriculture Committee will convene to amend and vote on House Bill 1237. At this time, we believe House Bill 1237 will be amended in a manner considerably better than the current language in the senate bill and ACI will continue to support the house bill so long as our top concerns about notification by grain buyers to a customer when coverage lapses are fully addressed.

The language of both bills can be found here: [HB 1237](#) & [SB 476](#).

Please contact your state senator now and ask them to vote "NO" on SB 476. You can find your legislator [HERE](#) or call (800) 382-9467.

ACI Supports:

- More education formulated by the Indiana Grain Indemnity Corporation Board (IGICB) and the Indiana Grain Buyers Corporation (IGC) to be shared with farmers;
- A posting at grain buyer offices informing customers of their coverage;
- A legal notice of coverage being published once a year by the Board in all papers of record and farm publications with general circulation;
- Confidentiality and executive sessions for the IGICB so that board members can have all the information they need to exercise their fiduciary obligations on behalf of farmers;
- If any changes to the warning notice in contracts are mandated, they should be effective no earlier than six months from the date of passage of the bill to provide time for agribusinesses to amend their agreements;
- Coverage for fifteen (15) months when a sale is first made to an Indiana licensee, but not longer than fifteen (15) month; and
- Assistance by the State Board of Accounts to the fund for audits.

Despite our reservations to the contrary, it appears that retroactive provisions have gained momentum. We are hoping to limit these provisions by ensuring:

- There is a sunset provision;
- This retroactivity will only apply to claims related to the most recent failure; and
- Retroactive language will never be enacted in the future.

Senate Bill 515- Tax Administration

Senate Bill 515, a bill regarding sales tax exemptions, will be heard in the Senate Tax and Fiscal Policy committee. The bill will clarify exemptions for agribusinesses so that agricultural machinery, tools, and equipment, including material handling equipment purchased for the purpose of transporting materials into the following activities from an onsite location, are exempt from the state gross retail tax.

Over the summer months, ACI became aware that the Indiana Department of Revenue had challenged certain member's tax returns. ACI convened meeting with key legislators and Department of Revenue staff. ACI representatives are continuing to work with all parties to refine the language so that future conflicts do not arise with respect to agricultural equipment and sale tax exemptions.

Please note that the House Committee Report deadline is Tuesday, February 21, and the Senate Committee Report deadline is Thursday, February 23.

Full calendars can be found at the following links: [House Calendar](#) & [Senate Calendar](#).

National News

The ACI is one of the signatories to a letter urging the United States Senate to confirm the nomination of Sonny Perdue as Secretary of Agriculture. Perdue has a proven track record of

public service and strong competency in the agricultural industry. As a former governor, Sonny Perdue has demonstrated his willingness for open dialogue with invested stakeholders, ensuring that decisions are made with the best interests of the industry, its consumers, and the nation.

Please direct any questions, comments, or edits of the Bill Track Report to Mark Shublak at (317)-236-5981; mark.shublak@icemiller.com or Lesa Dietrick at (317)-236-2252; lesa.dietrick@icemiller.com.