

Grain Warehouse Inspection and Fees; SB 143

SB 143 updates and rearranges definitions regarding grain and grain warehouses, clarifies when applications for licenses should be made, removes a reference regarding an independent public accountant, clarifies the fee for a functional unit license, increases the caps for storage fees, and increases the allowable examination period for grain warehouses.

Definitions

The bill updates references in continuing law regarding “grain” and “secretary” and removes definitions from three statutes and places them in KSA 2020 Supp. 34-223, the definitions section of Chapter 34, Article 2 of the *Kansas Statutes Annotated* regarding inspecting, sampling, storing, weighing, and grading grain and terminal and local warehouses.

The definitions moved are those for “functional unit,” “open storage,” “owner,” “deferred payment,” “delayed pricing,” “financial institution,” “standby letter of credit,” and “unpaid balance.”

Application for License

The bill clarifies any person desiring to engage in business as a public warehouseman will, before transacting business, apply in writing to the Secretary of Agriculture (Secretary) for a license and apply for a license on an annual basis.

Accountant Reference

Continuing law requires an applicant for a license to provide a financial statement along with the license application. The financial statement must include certain documents, including a report of audit or review conducted by an independent certified public accountant or an independent public accountant. The bill removes the reference to the independent public accountant.

License Fees

The bill updates the terms “license fee” to “functional unit license fee” and “annual fee” to “storage fee.” The bill clarifies the functional unit license fee will not exceed \$500 for each functional unit and this fee will continue to be set by the Secretary through rules and regulations.

[*Note:* The definition for “functional unit” is a public warehouse that has the capacity to store, weigh in, and weigh out grain. The storage capacity of any outlying storage facility of a public warehouse that is not a functional unit itself shall be included as part of the combined capacity of the warehouseman’s nearest functional unit.]

The bill increases the caps for storage fees, as follows.

Total Grain Warehouse Capacity in Bushels	Current Law “Annual Fee” Cap	SB 143 “Storage Fee” Cap
1 to 100,000	\$500	\$740
100,001 to 150,000	\$525	\$800
150,001 to 250,000	\$550	\$850
250,001 to 300,000	\$600	\$910
300,001 to 350,000	\$625	\$960
350,001 to 400,000	\$650	\$1,020
400,001 to 450,000	\$700	\$1,060
450,001 to 500,000	\$725	\$1,120
500,001 to 600,000	\$775	\$1,160
600,001 to 700,000	\$800	\$1,220
700,001 to 800,000	\$850	\$1,570
800,001 to 900,000	\$875	\$1,620
900,001 to 1,000,000	\$900	\$1,660
1,000,001 to 1,750,000	\$1,225	\$2,260
1,750,001 to 2,500,000	\$1,400	\$2,590
2,500,001 to 5,000,000	\$1,750	\$3,230
5,000,001 to 7,500,000	\$2,100	\$3,880
7,500,001 to 10,000,000	\$2,375	\$4,390
10,000,001 to 12,500,000	\$2,600	\$4,810
12,500,001 to 15,000,000	\$2,800	\$5,180
15,000,001 to 17,500,000	\$3,000	\$5,550
17,500,001 to 20,000,000	\$3,225	\$5,960
For each 2,500,000 bushels or fraction over 20,000,000	\$350	\$650

Examination Period

The bill increases, from 12 months to 18 months, the period of time in which the Secretary examines, at least once, each grain warehouse operated by a licensed public warehouseman. The bill states the examinations may be conducted more frequently as the Secretary determines is necessary to protect the public.