

1 a. Subtract the amount transferred to the tax relief fund under s. 16. 518 (4)
2 from the amount calculated by the secretary of administration under s. 16.518 (4).

3 b. Subtract the remainder under subd. 4. a. from \$115,000,000.

4 *b0682/2.5* SECTION 2777r. 121.15 (1m) (b) of the statutes is amended to read:

5 121.15 (1m) (b) The percentages under subs. (1) (a) and (1g) (a) shall be reduced
6 proportionally to reflect the payments made under par. (a) 3. The percentage for
7 June under subs. (1) (a) and (1g) (a) shall also be reduced to reflect the payment made
8 under par. (a) 4. School districts shall treat the payments made in July under par.
9 (a) as if they had been received in the previous school year.

10 *-0886/3.16* SECTION 2779. 121.15 (3m) (a) 1. of the statutes is amended to
11 read:

12 121.15 (3m) (a) 1. “Partial school revenues” means the sum of state school aids,
13 other than the amounts appropriated under s. 20.255 (2) ~~(bi)~~ (am) and ~~(cv)~~; property
14 taxes levied for school districts; and aid paid to school districts under s. 79.095 (4);
15 less the amount of any revenue limit increase under s. 121.91 (4) (L), less the amount
16 of any revenue limit increase under s. 121.91 (4) (a) 2. due to a school board’s
17 increasing the services that it provides by adding responsibility for providing a
18 service transferred to it from another school board, less the amount of any revenue
19 limit increase under s. 121.91 (4) (a) 3. and, less the amount of any revenue limit
20 increase under s. 121.91 (4) (j), less the amount of any revenue limit increase under
21 s. 121.91 (4) (h), less the amount of any property taxes levied for the purpose of s.
22 120.13 (19), and less an amount equal to 45% of the amount estimated to be paid
23 under s. 119.23 (4) and (4m).

24 *b0682/2.8* SECTION 2779m. 121.15 (3m) (a) 2. of the statutes is amended to
25 read:

1 121.15 (3m) (a) 2. “State school aids” means those aids appropriated under s.
2 20.255 (1) (b) and (2), other than s. 20.255 (2) (am), (fm), (fu), (k), (kn), and (m), and
3 under ss. 20.275 (1) (d), (es), (et) and (f) and 20.285 (1) (ee), (r) and (rc) and those aids
4 appropriated under s. 20.275 (1) (s) that are used to provide grants or educational
5 telecommunications access to school districts under s. 44.73.

6 ***b2193/1.23* SECTION 2779s.** 121.54 (3) of the statutes is amended to read:

7 121.54 (3) TRANSPORTATION FOR CHILDREN WITH DISABILITIES. Every school board
8 shall provide transportation for children with disabilities, as defined in s. 115.76 (5),
9 to any public or private elementary or high school, to the school operated by the
10 Wisconsin Center for the Blind and Visually Impaired or the school operated by the
11 Wisconsin School Educational Services Program for the Deaf and Hard of Hearing
12 or to any special education program for children with disabilities sponsored by a state
13 tax-supported institution of higher education, including a technical college,
14 regardless of distance, if the request for such transportation is approved by the state
15 superintendent. Approval shall be based on whether or not the child can walk to
16 school with safety and comfort. Section 121.53 shall apply to transportation provided
17 under this subsection.

18 ***-0940/4.1* SECTION 2780.** 121.79 (1) (d) (intro.) of the statutes is amended to
19 read:

20 121.79 (1) (d) (intro.) For pupils in foster homes, treatment foster homes, or
21 group homes, if the foster home, treatment foster home, or group home is located
22 outside the school district in which the pupil’s parent or guardian resides and either
23 of the following applies:

24 ***-0940/4.2* SECTION 2781.** 121.79 (1) (d) 1. of the statutes is repealed.

25 ***-0940/4.3* SECTION 2782.** 121.79 (1) (d) 3. of the statutes is created to read:

1 121.79 (1) (d) 3. The pupil is a child with a disability, as defined in s. 115.76 (5),
2 and at least 4% of the pupils enrolled in the school district reside in foster homes,
3 treatment foster homes, or group homes that are not exempt under s. 70.11.
4 Notwithstanding s. 121.83 (1) (d), the annual tuition rate for pupils under this
5 subdivision is the special annual tuition rate only, as described in s. 121.83 (1) (c).

6 *~~0886/3.17~~* SECTION 2783. 121.85 (6) (e) of the statutes is amended to read:

7 121.85 (6) (e) *Sources of aid payments.* State aid under this section shall be
8 paid from the ~~appropriations~~ appropriation under s. 20.255 (2) (ac) and ~~(q)~~.

9 *~~0886/3.18~~* SECTION 2784. 121.85 (8) of the statutes is amended to read:

10 121.85 (8) TRANSFERRED PUPILS. Pupils transferring schools under this section
11 shall be subject to the same rules and regulations as resident pupils and shall have
12 the responsibilities, privileges, and rights of resident pupils in the school district or
13 attendance area. Subject to this subsection, a pupil transferring schools under either
14 sub. (3) (a) or (b) has the right to complete his or her education at the elementary,
15 middle, or high school to which he or she transfers so long as full funding therefor
16 is available under s. 20.255 (2) (ac) and ~~(q)~~.

17 *~~0886/3.19~~* SECTION 2785. 121.85 (9) (c) of the statutes is amended to read:

18 121.85 (9) (c) The obligation under par. (a) to organize planning councils shall
19 apply only with regard to school terms for which full pupil transfer aids are
20 appropriated under s. 20.255 (2) (ac) and ~~(q)~~ and planning council assistance funds
21 are appropriated under s. 20.255 (1) (a).

22 *~~b2220/1.5~~* SECTION 2788m. 121.90 (1) (f) of the statutes is created to read:

23 121.90 (1) (f) In determining a school district's revenue limit for the 2002–03
24 school year or for any school year thereafter, the department shall calculate the
25 number of pupils enrolled in each school year prior to the 2002–03 school year under

1 s. 121.004 (7) (c) (intro.), s. 121.004 (7) (c) 1. c., as created by 2001 Wisconsin Act
2 (this act), and s. 121.004 (7) (cm), as affected by 2001 Wisconsin Act (this act).

3 ***-0935/4.1* SECTION 2789.** 121.905 (1) of the statutes is amended to read:

4 121.905 (1) In this section, “revenue ceiling” means ~~\$6,300~~ \$6,700 in the
5 ~~1999–2000~~ 2001–02 school year and in any subsequent school year means ~~\$6,500~~
6 \$6,900.

7 ***b0688/3.3* SECTION 2789m.** 121.905 (3) (a) 1. of the statutes is amended to
8 read:

9 121.905 (3) (a) 1. Except as provided under subd. 2., calculate the sum of the
10 amount of state aid received in the previous school year and property taxes levied for
11 the previous school year, excluding property taxes levied for the purpose of s. 120.13
12 (19) and excluding funds described under s. 121.91 (4) (c), and the costs of the county
13 children with disabilities education board program, as defined in s. 121.135 (2) (a)
14 2., for pupils who were school district residents and solely enrolled in a special
15 education program provided by a county children with disabilities education board
16 in the previous school year.

17 ***b0688/3.4* SECTION 2791m.** 121.91 (2m) (e) 1. of the statutes is amended to
18 read:

19 121.91 (2m) (e) 1. Divide the sum of the amount of state aid received in the
20 previous school year and property taxes levied for the previous school year, excluding
21 property taxes levied for the purpose of s. 120.13 (19) and excluding funds described
22 under sub. (4) (c), by the average of the number of pupils enrolled in the 3 previous
23 school years.

24 ***-1513/2.1* SECTION 2797.** 121.91 (4) (dg) of the statutes is created to read:

1 121.91 (4) (dg) Notwithstanding par. (d), if a school district's revenue in the
2 preceding school year was less than the limit under sub. (2m) in the preceding school
3 year, the school district received an increase in aid under s. 121.15 (4) (b) in the
4 current school year, and the increase in aid was less than the amount determined
5 under subd. 2., the limit otherwise applicable to the school district's revenue in the
6 current school year under sub. (2m) is increased by an amount determined as follows:

7 1. Determine the increase in aid under s. 121.15 (4) (b).

8 2. Subtract the school district's revenue in the preceding school year from the
9 school district's limit under sub. (2m) in the preceding school year.

10 3. Subtract from subd. 2. the amount determined under subd. 1. and multiply
11 the remainder by 0.75.

12 4. Add the results under subds. 1. and 3.

13 *~~1513/2.2~~* SECTION 2798. 121.91 (4) (dr) of the statutes is created to read:

14 121.91 (4) (dr) Notwithstanding par. (d), if a school district's revenue in the
15 preceding school year was less than the limit under sub. (2m) in the preceding school
16 year, the school district received an increase in aid under s. 121.15 (4) (b) in the
17 current school year, and the increase in aid was equal to or greater than the amount
18 determined under par. (dg) 2., the limit otherwise applicable to the school district's
19 revenue in the current school year under sub. (2m) is increased by the difference
20 between the amount of its revenue in the preceding school year and the amount of
21 the limit in the preceding school year under sub. (2m).

22 *b0688/3.5* SECTION 2798f. 121.91 (4) (i) of the statutes is created to read:

23 121.91 (4) (i) The limit otherwise applicable to a school district under sub. (2m)
24 in any school year is increased by an amount equal to the amount of property taxes
25 levied for the purpose of s. 120.13 (19) for that school year.

1 ***b0892/1.3* SECTION 2798g.** 121.91 (4) (j) of the statutes is created to read:

2 121.91 (4) (j) If a school board implemented an intradistrict pupil transfer
3 program to reduce racial imbalance in the school district after June 30, 1993, but
4 before the effective date of this paragraph [revisor inserts date], the limit
5 otherwise applicable to the school district under sub. (2m) in the 2001–02, 2002–03,
6 and 2003–04 school years is increased by an amount equal to one-third of the amount
7 received in the 1994–95 school year under s. 121.85 as a result of implementing the
8 program.

9 ***b0745/1.1* SECTION 2798j.** 121.91 (4) (k) of the statutes is created to read:

10 121.91 (4) (k) The limit otherwise applicable under sub. (2m) to a school district
11 that is at least 275 square miles in area and in which the number of pupils enrolled
12 in the 2000–01 school year was less than 450 is increased for the 2001–02 school year
13 by the following amount:

14 1. If the number of pupils enrolled in the school district declined between the
15 1996–97 school year and the 2000–01 school year, but the decline was less than 10%,
16 \$100,000.

17 2. If the decline in the number of pupils enrolled between the 1996–97 school
18 year and the 2000–01 school year was at least 10% but not more than 20%, \$175,000.

19 3. If the decline in the number of pupils enrolled between the 1996–97 school
20 year and the 2000–01 school year was more than 20%, \$250,000.

21 ***b2220/1.6* SECTION 2798L.** 121.91 (4) (L) of the statutes is created to read:

22 121.91 (4) (L) The limit otherwise applicable to a school district under sub. (2m)
23 in any school year is increased by an amount calculated as follows:

24 1. Multiply the number of pupils who are not children with disabilities, as
25 defined in s. 115.76 (5), and who are enrolled in a 4-year-old kindergarten program

1 in the school district in the current school year, counting each pupil as 1.0 pupil, by
2 0.2.

3 2. Multiply the result under subd. 1. by the school district's allowable revenue
4 per pupil in the current school year.

5 *b2180/4.1* SECTION 2798s. 121.91 (4) (m) of the statutes is created to read:

6 121.91 (4) (m) 1. In this paragraph, "equalized valuation per member" means
7 equalized valuation divided by membership, except as follows:

8 a. For a school district operating only high school grades, "equalized valuation
9 per member" means equalized valuation divided by the result obtained by
10 multiplying membership by 3.

11 b. For a school district operating only elementary grades, "equalized valuation
12 per member" means equalized valuation divided by the result obtained by
13 multiplying membership by 1.5.

14 2. The limit otherwise applicable to a school district under sub. (2m) in any
15 school year is increased by the amount calculated as follows if the school board adopts
16 a resolution approving the increase by a two-thirds vote of the members elect:

17 a. Multiply the statewide average allowable revenue per member in the
18 previous school year by 0.78%.

19 b. Divide the statewide average equalized valuation per member by the school
20 district's equalized valuation per member or by \$120,000, whichever is greater.

21 c. Multiply the product under subd. 2. a. by the quotient under subd. 2. b.

22 d. Multiply the product under subd. 2. c. by the average of the number of pupils
23 enrolled in the school district in the current and the 2 preceding school years.

1 3. The amount of the revenue limit adjustment approved under subd. 2. shall
2 not be included in the base for determining the school district's revenue limit for the
3 following school year.

4 *~~0890/1.1~~* SECTION 2799. 121.92 (2) (c) of the statutes is amended to read:

5 121.92 (2) (c) If the amount of the deductions under pars. (a) and (b) is
6 insufficient to cover the excess revenue, order the school board to reduce the property
7 tax obligations of its taxpayers by an amount that represents the remainder of the
8 excess revenue. The school district's refunds to taxpayers who have already paid
9 their taxes shall be increased by interest at the rate of 0.5% per month. If the school
10 board violates the order, any resident of the school district may seek injunctive relief.
11 This paragraph does not apply to property taxes levied for the purpose of paying the
12 principal and interest on valid bonds or notes issued by the school board.

13 *~~2318/3.2~~* SECTION 2802. 125.06 (8) of the statutes is amended to read:

14 125.06 (8) SALE BY SECURED PARTY. The sale of alcohol beverages by a secured
15 party in good faith under the terms of a security agreement, if the sale is not for the
16 purpose of avoiding this chapter or ch. 139. The sale must be in the ordinary course
17 of the business of lending money secured by a security interest in alcohol beverages
18 or warehouse receipts or other evidence of ownership. A sale of fermented malt
19 beverages must be made within 15 days after the secured party takes possession of
20 the fermented malt beverages unless the secured party demonstrates good cause
21 why a sale in compliance with s. 409.610 (2) or the security agreement cannot be
22 made within this time period.

23 *~~b1718/1.1~~* SECTION 2802m. 125.06 (13) of the statutes is created to read:

24 125.06 (13) WINE SAMPLING ON "CLASS A" PREMISES. (a) The provision of wine
25 taste samples of not more than 3 fluid ounces each, free of charge, by a "Class A"

1 licensee to customers and visitors for consumption on the premises. No “Class A”
2 licensee may provide more than 2 taste samples per day to any one person. This
3 subsection applies only between the hours of 10 a.m. and 6 p.m. Notwithstanding
4 s. 125.07 (1) (a) 1., no “Class A” licensee may provide taste samples under this
5 subsection to any underage person. No “Class A” licensee may provide as taste
6 samples under this subsection wine that the “Class A” licensee did not purchase from
7 a wholesaler.

8 (b) Notwithstanding par. (a) and s. 125.10 (1), a municipality may prohibit the
9 provision of wine under this subsection.

10 *~~2318/3.4~~* SECTION 2804. 125.17 (6) (a) (intro.) of the statutes is amended to
11 read:

12 125.17 (6) (a) (intro.) Except as provided in par. (b), no municipal governing
13 body may issue an operator’s license unless the applicant has successfully completed
14 a responsible beverage server training course at any location that is offered by a
15 technical college district and that conforms to curriculum guidelines specified by the
16 technical college system board or a comparable training course, which may include
17 computer-based training and testing, that is approved by the department or the
18 educational approval board, or unless the applicant fulfills one of the following
19 requirements:

20 *b2197/2.1* SECTION 2805g. 125.31 (1) (a) 2. of the statutes is amended to read:

21 125.31 (1) (a) 2. Notwithstanding ss. 125.29 (2) and 125.33 (1), a brewer may
22 maintain and operate one place on brewery premises and one place on real estate
23 owned by the brewer or a subsidiary or affiliate corporation or limited liability
24 company for the sale of fermented malt beverages for which a Class “B” license is

1 required for each place, but, except as provided in ~~subd.~~ subds. 3. and 4., not more
2 than 2 such Class “B” licenses shall be issued to any brewer.

3 ***b2197/2.1* SECTION 2805h.** 125.31 (1) (a) 4. of the statutes is created to read:

4 125.31 (1) (a) 4. Notwithstanding ss. 125.29 (2) and 125.33 (1), in addition to
5 places authorized under subd. 2., a brewer may possess or hold an indirect interest
6 in a Class “B” license for not more than 20 restaurants in each of which the sale of
7 alcohol beverages accounts for less than 60% of the restaurant’s gross receipts if no
8 fermented malt beverages manufactured by the brewer are offered for sale in any of
9 these restaurants. No brewer may possess Class “B” licenses under both this
10 subdivision and subd. 3.

11 ***~~2318/3.6~~* SECTION 2806.** 125.33 (2) (a) of the statutes is amended to read:

12 125.33 (2) (a) Give to any campus or Class “B” licensee or permittee, at any
13 given time, for placement inside the premises, signs, clocks, or menu boards with an
14 aggregate value of not more than ~~\$150~~ \$2,500. If a gift of any item would cause the
15 ~~\$150~~ \$2,500 limit to be exceeded, the recipient shall pay the brewer or wholesaler the
16 amount of the item’s value in excess of ~~\$150~~ \$2,500. Each recipient shall keep an
17 invoice or credit memo containing the name of the donor and the number and value
18 of items received under this paragraph. The value of an item is its cost to the donor.
19 Each recipient shall make the records kept under this paragraph available to the
20 department for inspection upon request.

21 ***~~2318/3.7~~* SECTION 2807.** 125.33 (2) (b) 2. of the statutes is amended to read:

22 125.33 (2) (b) 2. Signs made from paper ~~or~~, cardboard, plastic, vinyl, or other
23 like material for placement inside the premises, notwithstanding the aggregate
24 value limitation of par. (a).

1 ***-2318/3.8*** SECTION 2808. 125.33 (2) (L) of the statutes is renumbered 125.33
2 (2) (L) 1.

3 ***-2318/3.9*** SECTION 2809. 125.33 (2) (L) 2. of the statutes is created to read:

4 125.33 (2) (L) 2. Purchase advertising from a person who does not hold a license
5 under this chapter and who conducts national or regional sweepstakes, contests, or
6 promotions on the premises of Class “B” licensees or permittees that sell the brewer’s
7 or wholesaler’s products. The person may promote an event or activity in connection
8 with a sweepstakes, contest, or promotion, including promoting the location of the
9 event or activity, if the Class “B” licensee or permittee on whose premises the event
10 or activity will occur does not receive money for hosting the event or activity and,
11 except as provided in subd. 4., if the advertising for the event or activity identifies
12 at least 4 unaffiliated Class “B” licensees or permittees.

13 ***-2318/3.10*** SECTION 2810. 125.33 (2) (L) 3. of the statutes is created to read:

14 125.33 (2) (L) 3. Conduct national or regional sweepstakes, contests, or
15 promotions on the premises of Class “B” licensees or permittees that sell the brewer’s
16 or wholesaler’s products. The brewer or wholesaler may promote an event or activity
17 in connection with a sweepstakes, contest, or promotion, including promoting the
18 location of the event or activity, if the Class “B” licensee or permittee on whose
19 premises the event or activity will occur does not receive money for hosting the event
20 or activity and, except as provided in subd. 4., if the advertising for the event or
21 activity identifies at least 4 unaffiliated Class “B” licensees or permittees.

22 ***b0687/1.7*** SECTION 2810m. 125.33 (2) (L) 4. of the statutes is created to read:

23 125.33 (2) (L) 4. A brewer that manufactures less than 30,000 barrels of
24 fermented malt beverages annually may purchase advertising under subd. 2, and

1 may promote sweepstakes, contests, or promotions through advertising under subd.
2 3., if the advertising identifies at least one Class “B” licensee or permittee.

3 ***-2318/3.11* SECTION 2811.** 125.33 (2) (n) 2. of the statutes is amended to read:

4 125.33 (2) (n) 2. Notwithstanding subd. 1., no brewer or wholesaler may
5 provide business entertainment to a Class “B” licensee or permittee under subd. 1.
6 in one day that has a value exceeding ~~\$75~~ \$500, and ~~no brewer or wholesaler may~~
7 provide business entertainment to a Class “B” licensee or permittee under subd. 1.
8 on more than 8 days in any calendar year.

9 ***-2318/3.12* SECTION 2812.** 125.33 (2s) of the statutes is amended to read:

10 125.33 (2s) EXCEPTION FOR RETAIL TRADE ASSOCIATION CONTRIBUTIONS.
11 Notwithstanding the prohibitions in sub. (1), a brewer ~~that produces 350,000 or more~~
12 barrels of fermented malt beverages annually or wholesaler may contribute money
13 or other things of value to a bona fide national ~~or~~ statewide, or local trade association
14 which derives its principle income from membership dues of Class “B” licensees.

15 ***b0687/1.9* SECTION 2812g.** 125.33 (7m) of the statutes is created to read:

16 125.33 (7m) CONDITIONAL PURCHASES. No Class “A” or Class “B” licensee may
17 condition the purchase of fermented malt beverages from a brewer or wholesaler
18 upon the furnishing by the brewer or wholesaler of any thing of value, other than the
19 products purchased, to the licensee or to any person for the use, benefit, or relief of
20 the licensee.

21 ***b0823/1.1* SECTION 2812se.** 125.51 (4) (br) 1. e. of the statutes is amended
22 to read:

23 125.51 (4) (br) 1. e. Add one license per each increase of 500 population ~~or~~
24 fraction thereof to the population recorded under par. (bm).

1 ***b0823/1.1* SECTION 2812sf.** 125.51 (4) (br) 1. f. of the statutes is created to
2 read:

3 125.51 (4) (br) 1. f. Add one license if the municipality had issued a license
4 under s. 125.51 (4) (br) 1. e., 1999 stats., based on a fraction of 500 population, but
5 a municipality's quota is only increased under this subd. 1. f. as long as the total
6 number of licenses issued by the municipality equals the maximum number of
7 licenses authorized, including under this subd. 1. f.

8 ***b0823/1.1* SECTION 2812sg.** 125.51 (4) (br) 2. of the statutes is amended to
9 read:

10 125.51 (4) (br) 2. Notwithstanding subd. 1., if the difference between the
11 number of licenses determined under par. (b) 1g. and under par. (bm) 1. is 3 or fewer,
12 the number of reserve "Class B" licenses authorized to be issued by that municipality
13 is the difference between the number of licenses determined under par. (b) 1g. and
14 under par. (bm) 1., plus one per each increase of 500 population or fraction thereof
15 to the population recorded under par. (bm), plus one if the municipality had issued
16 a license under s. 125.51 (4) (br) 2., 1999 stats., based on a fraction of 500 population
17 but only as long as the total number of licenses issued by the municipality equals the
18 maximum number of licenses authorized.

19 ***b2158/1.1* SECTION 2812t.** 125.52 (8) of the statutes is created to read:

20 125.52 (8) SALES TO INDIVIDUALS IN OTHER STATES. A permittee under this section
21 that ships wine from this state to individuals in another state under authorization
22 of a reciprocal agreement specified in s. 139.035 shall submit a report to the
23 department, by January 31 of each year, on forms furnished by the department. The
24 report shall include the identity, quantity, and price of all products shipped during
25 the previous calendar year from this state to individuals in another state under

1 authorization of a reciprocal agreement specified in s. 139.035. The report shall also
2 include the name, address, and birthdate of each person who purchased these
3 products and each person to whom these products were shipped. The department
4 shall keep confidential, in the same manner required for tax returns under s. 71.78
5 (1), (4), and (5) to (8), reports submitted under this subsection.

6 ***b2158/1.1* SECTION 2812u.** 125.53 (3) of the statutes is created to read:

7 125.53 (3) A permittee under this section that ships wine from this state to
8 individuals in another state under authorization of a reciprocal agreement specified
9 in s. 139.035 shall submit a report to the department, by January 31 of each year, on
10 forms furnished by the department. The report shall include the identity, quantity,
11 and price of all products shipped during the previous calendar year from this state
12 to individuals in another state under authorization of a reciprocal agreement
13 specified in s. 139.035. The report shall also include the name, address, and
14 birthdate of each person who purchased these products and each person to whom
15 these products were shipped. The department shall keep confidential, in the same
16 manner required for tax returns under s. 71.78 (1), (4), and (5) to (8), reports
17 submitted under this subsection.

18 ***b2158/1.1* SECTION 2812v.** 125.58 (4) of the statutes is renumbered 125.48
19 (4) (a) (intro.) and amended to read:

20 125.58 (4) (a) (intro.) A winery located outside of this state may ship wine into
21 this state as provided under s. 125.68 (10) (bm) if the all of the following apply:

22 1. The winery is located in a state which that has a reciprocal agreement with
23 this state under s. 139.035.

24 (b) An out-of-state shipper's permit is not required for shipments into this
25 state under this subsection.

1 ***b2158/1.1* SECTION 2812w.** 125.58 (4) (a) 2. of the statutes is created to read:

2 125.58 (4) (a) 2. The winery holds a valid business tax registration certificate
3 issued under s. 73.03 (50). Notwithstanding s. 73.03 (50), the department shall
4 charge an annual fee of \$10 for this registration.

5 ***b2158/1.1* SECTION 2812wg.** 125.58 (4) (a) 3. of the statutes is created to
6 read:

7 125.58 (4) (a) 3. The winery submits to the department, with any initial
8 application or renewal for a certificate under s. 73.03 (50), a copy of any current
9 license, permit, or authorization issued to the winery by any state from which the
10 winery will ship wine into this state.

11 ***b2158/1.1* SECTION 2812wm.** 125.58 (4) (a) 4. of the statutes is created to
12 read:

13 125.58 (4) (a) 4. The winery submits a report to the department, by January
14 31 of each year, on forms furnished by the department, providing the identity,
15 quantity, and price of all products shipped into this state during the previous
16 calendar year, along with the name, address, and birthdate of each person who
17 purchased these products and each person to whom these products were shipped.
18 The department shall keep confidential, in the same manner required for tax returns
19 under s. 71.78 (1), (4), and (5) to (8), reports submitted under this subdivision.

20 ***b2158/1.1* SECTION 2812x.** 125.68 (10) (bm) of the statutes is amended to
21 read:

22 125.68 (10) (bm) A winery in compliance with the requirements of s. 125.58 (4)
23 may ship wine into this state under s. 125.58 (4) from a state which that has a
24 reciprocal agreement with this state under s. 139.035 to an individual who is of the
25 legal drinking age and who acknowledges in writing receipt of the wine shipped if the

1 shipping container is clearly labeled to indicate that the package may not be
2 delivered to an underage person or to an intoxicated person. A person who receives
3 wine under this paragraph may not sell it or use it for a commercial purpose. A
4 signature on the delivery form of the common carrier by a person of legal drinking
5 age acknowledges delivery in writing.

6 *b1461/3.16* SECTION 2813. Chapter 126 of the statutes is created to read:

7 **CHAPTER 126**

8 **AGRICULTURAL PRODUCER SECURITY**

9 **SUBCHAPTER I**

10 **GENERAL**

11 **126.01 General definitions.** In this chapter:

12 (1) “Affiliate” means any of the following persons:

13 (a) An owner, major stockholder, partner, officer, director, member, employee,
14 or agent of a contractor.

15 (b) A person owned, controlled, or operated by a person under par. (a).

16 (2) “Asset” means anything of value owned by a person.

17 (3) “Audited financial statement” means a financial statement on which an
18 independent certified public accountant licensed or certified under ch. 442 has done
19 all of the following:

20 (a) Stated that the financial statement presents fairly, in all material respects,
21 the financial position of a contractor as of a specific date or for a specific period,
22 according to one of the following:

23 1. Generally accepted accounting principles.

1 2. The historical cost basis method of accounting, if the financial statement is
2 a sole proprietor's personal financial statement and the financial statement is
3 prepared on a historical cost basis.

4 (b) Conducted an audit according to generally accepted auditing standards.

5 (4) "Balance sheet" means a statement of assets, liabilities, and equity on a
6 specific date.

7 (5) "Contractor," unless otherwise qualified, means any of the following:

8 (a) A grain dealer, as defined in s. 126.10 (9).

9 (b) A grain warehouse keeper, as defined in s. 126.25 (9).

10 (c) A milk contractor, as defined in s. 126.40 (8).

11 (d) A vegetable contractor, as defined in s. 126.55 (14).

12 (6) "Current assets" means cash and other assets, including trade or
13 investment items, that may be readily converted into cash in the ordinary course of
14 business within one year after the date as of which the value of those assets is
15 determined.

16 (7) "Current liabilities" means those liabilities that are due within one year
17 after the date as of which the value of those liabilities is determined.

18 (8) "Department" means the department of agriculture, trade and consumer
19 protection.

20 (9) "Equity" means the value of assets less the value of liabilities.

21 (10) "Equity statement" means a report of the change in equity from the
22 beginning to the end of the accounting period covered by the report.

23 (11) "Fund" means the agricultural producer security fund established under
24 s. 25.463.

1 (12) “Generally accepted accounting principles” means the accounting
2 standards adopted by the Financial Accounting Standards Board, except that for a
3 business entity organized and operating outside the United States “generally
4 accepted accounting principles” includes generally accepted foreign accounting
5 standards that are substantially equivalent to standards adopted by the Financial
6 Accounting Standards Board.

7 (13) “Grain” means corn, wheat, soybeans, oats, barley, rye, buckwheat,
8 sorghum, flax seed, milo, sunflower seed, and mixed grain, as defined in 7 CFR
9 810.801, except that “grain” does not include any of the following:

10 (a) Sweet corn or other canning crops for processing.

11 (b) Seed corn, wheat, soybeans, oats, barley, rye, buckwheat, sorghum, flax
12 seed, milo, sunflower seed, or mixed grain used or intended for use solely for planting
13 purposes.

14 (c) Corn, wheat, soybeans, oats, barley, rye, buckwheat, sorghum, flax seed,
15 milo, sunflower seed, or mixed grain that has been rolled, cracked, roasted, or
16 otherwise processed.

17 (14) “Income statement” means a report of the financial results of business
18 operations for a specific period.

19 (15) “Individual” means a natural person.

20 (16) “Interim financial statement” means a statement of financial condition
21 prepared for a period shorter than a fiscal year.

22 (17) “Milk” has the meaning given in s. 97.22 (1) (e).

23 (18) “Person,” notwithstanding s. 990.01 (26), means an individual,
24 corporation, cooperative, partnership, limited liability company, trust, state agency,

1 as defined in s. 20.001 (1), local governmental unit, as defined in s. 66.0131 (1) (a),
2 or other legal entity.

3 (19) “Producer,” unless otherwise qualified, means a grain producer, as defined
4 in s. 126.10 (10), milk producer, as defined in s. 126.40 (10), or vegetable producer,
5 as defined in s. 126.55 (16).

6 (20) “Reviewed financial statement” means a contractor’s financial statement,
7 other than an audited financial statement, if all of the following apply:

8 (a) The contractor attests in writing, under oath, that the financial statement
9 is complete and accurate.

10 (b) The financial statement is reviewed by an independent certified public
11 accountant licensed or certified under ch. 442.

12 (21) “Security” means security filed or maintained under s. 126.16, 126.31,
13 126.47, or 126.61.

14 (22) “Sole proprietor” means a contractor who is an individual.

15 (23) “Statement of cash flows” means a report of cash receipts and cash
16 disbursements from operating, investing, and financing activities, including an
17 explanation of changes in cash and cash equivalents for the accounting period
18 covered by the report.

19 (24) “Vegetable” means any vegetable that is grown or sold for use in food
20 processing, whether or not the vegetable is actually processed as food. “Vegetable”
21 includes green beans, kidney beans, lima beans, romano beans, wax beans, beets,
22 cabbage, carrots, celery, cucumbers, onions, peas, potatoes, spinach, squash, and
23 sweet corn, but does not include grain.

1 SUBCHAPTER II
2 AGRICULTURAL PRODUCER
3 SECURITY FUND

4 **126.05 Agricultural producer security fund.** (1) The fund is a public trust
5 and shall be administered to secure payments to producers. Moneys deposited into
6 the fund may be used only for the purposes of this chapter.

7 (2) The department shall deposit into the fund all fees, surcharges,
8 assessments, reimbursements, and proceeds of surety bonds that the department
9 collects under this chapter. The department shall keep a record by contractor and
10 industry, of all deposits.

11 **126.06 Industry bonds.** (1) DEPARTMENT TO ACQUIRE BONDS. Using moneys
12 appropriated under s. 20.115 (1) (v), the department shall acquire and maintain all
13 of the following surety bonds:

14 (a) A surety bond that takes effect on May 1, 2002, to secure payment under
15 s. 126.72 (2) of claims against contributing milk contractors, as defined in s. 126.40
16 (1).

17 (b) A surety bond that takes effect on September 1, 2002, to secure payment
18 under s. 126.72 (2) of claims against contributing grain dealers, as defined in s.
19 126.10 (3), and contributing grain warehouse keepers, as defined in s. 126.25 (2).

20 (c) A surety bond that takes effect on February 1, 2002, to secure payment
21 under s. 126.72 (2) of claims against contributing vegetable contractors, as defined
22 in s. 126.55 (4).

23 (2) BOND TERMS. The department shall ensure all of the following:

24 (a) That the amount of each bond under sub. (1) is at least \$5,000,000 but not
25 more than \$20,000,000.

1 (b) That the amount of each bond under sub. (1) renews annually.

2 (c) That each bond under sub. (1) is payable to the department for the benefit
3 of the appropriate claimants under sub. (1).

4 (d) That each bond under sub. (1) is issued by a person who is authorized to
5 operate a surety business in this state.

6 (dm) That no surety issues more than one of the 3 bonds under sub. (1).

7 (e) That no bond issued under sub. (1) may be canceled or modified unless one
8 of the following applies:

9 1. The department agrees to the cancellation or modification.

10 2. The department receives written notice from the issuer in person or by
11 certified mail at least one year before the proposed cancellation or modification.

12 (f) That the issuer of each bond under sub. (1) issues the bond in a form, and
13 subject to any terms and conditions, that the department considers appropriate.

14 **(3) BOND PROCUREMENT.** The department shall procure the surety bonds under
15 sub. (1) according to the procedures provided in subch. IV of ch. 16.

16 **126.07 Blanket bond.** (1) DEPARTMENT TO ACQUIRE BOND. Using moneys
17 appropriated under s. 20.115 (1) (v), the department shall acquire and maintain a
18 surety bond, that takes effect on February 1, 2002, to secure payment under s. 126.72
19 (3) of claims against contributing contractors, as defined in s. 126.68 (1).

20 **(2) BOND TERMS.** The department shall ensure all of the following:

21 (a) That the amount of the bond under sub. (1) is at least \$20,000,000 but not
22 more than \$40,000,000.

23 (b) That the amount of the bond under sub. (1) renews annually.

24 (c) That the bond under sub. (1) is payable to the department for the benefit of
25 claimants described in sub. (1).

1 (d) That the bond under sub. (1) is jointly issued by at least 3 persons acting
2 as cosureties on the bond and that each of the persons is authorized to operate a
3 surety business in this state.

4 (e) That no issuer of the bond under sub. (1) may cancel or modify the bond, or
5 withdraw as a cosurety, unless one of the following applies:

6 1. The department agrees to the cancellation, modification, or withdrawal.

7 2. The department receives written notice from the issuer that is delivered in
8 person or by certified mail and is received at least one year before the proposed
9 cancellation, modification, or withdrawal.

10 (f) That the issuers of the bond under sub. (1) issue the bond in a form, and
11 subject to any terms and conditions, that the department considers appropriate.

12 (3) BOND PROCUREMENT. The department shall procure the surety bond under
13 sub. (1) according to the procedures provided in subch. IV of ch. 16.

14 **126.08 Start-up loan to fund; repayment.** On January 1, 2002, \$2,000,000
15 is transferred as a loan from the agrichemical management fund, to the agricultural
16 producer security fund. The department shall repay this loan principal, plus interest
17 compounded at 5% annually, from the agricultural producer security fund by July 1,
18 2006. The department shall transfer at least \$250,000 from the agricultural
19 producer security fund to the agrichemical management fund on July 1 of each year,
20 beginning on July 1, 2003. The department may accelerate the loan repayment, at
21 its discretion.

22 SUBCHAPTER III

23 GRAIN DEALERS

24 **126.10 Definitions.** In this subchapter:

1 (1) “Cash on delivery” means full cash payment for grain when the grain dealer
2 takes custody or control of the grain.

3 (2) “Cash payment” means payment in any of the following forms:

4 (a) Currency.

5 (b) A cashier’s check or a check that a bank issues and certifies.

6 (c) A wire transfer.

7 (d) Simultaneous barter.

8 (3) “Contributing grain dealer” means a grain dealer who is licensed under s.
9 126.11, who either has paid one or more quarterly installments under s. 126.15 (7)
10 or is required to contribute to the fund, but the first quarterly installment under s.
11 126.15 (7) is not yet due, and who is not disqualified from the fund under s. 126.14
12 (2).

13 (4) “Current ratio” means the ratio of the value of current assets to the value
14 of current liabilities, calculated according to s. 126.13 (6) (c) 1.

15 (5) “Debt to equity ratio” means the ratio of the value of liabilities to equity,
16 calculated according to s. 126.13 (6) (c) 2.

17 (6) “Deferred payment contract” means a contract for the procurement of grain
18 under which a grain dealer takes custody or control of producer grain more than 7
19 days before paying for the grain in full. “Deferred payment contract” includes a
20 deferred price contract.

21 (7) “Deferred price contract” means a contract for the procurement of grain
22 under which a grain dealer takes custody or control of producer grain more than 7
23 days before the price of that grain must be determined under the contract.

24 (8) “Disqualified grain dealer” means a grain dealer who is disqualified from
25 the fund under s. 126.14 (2).

1 (9) “Grain dealer” means a person who buys producer grain or who markets
2 producer grain as a producer agent. “Grain dealer” does not include any of the
3 following:

4 (a) A person who merely brokers a contract between a grain producer and a
5 grain dealer without becoming a party to the contract, taking control of grain, or
6 accepting payment on behalf of the grain producer.

7 (b) A person who merely buys or sells grain on a board of trade or commodity
8 exchange.

9 (10) “Grain producer” means a person who grows grain.

10 (10m) “License year” means the period beginning on September 1 and ending
11 on the following August 31.

12 (11) “Procure grain” means to buy grain or acquire the right to market grain.

13 (12) “Procure producer grain in this state” means any of the following:

14 (a) To buy producer grain for receipt in this state.

15 (b) To acquire the right to market producer grain grown in this state.

16 (13) “Producer agent” means a person who acts on behalf of a grain producer
17 to market or accept payment for the grain producer’s grain without taking title to
18 that grain, including a person who uses a producer trust fund to market or accept
19 payment for producer grain. “Producer agent” does not include any of the following:

20 (a) A person who merely brokers a contract between a grain producer and a
21 grain dealer, without becoming a party to the contract, taking control of grain, or
22 accepting payment on behalf of the grain producer.

23 (b) A person who merely holds or transports grain for a grain producer without
24 marketing the grain or accepting payment on behalf of the grain producer.

1 (14) “Producer grain” means grain that is owned by or held in trust for one or
2 more grain producers. “Producer grain” includes grain that a producer agent
3 markets for a grain producer, without taking title to the grain.

4 **126.11 Grain dealers; licensing.** (1) LICENSE REQUIRED. Except as provided
5 in sub. (2), no grain dealer may procure producer grain in this state without a current
6 annual license from the department.

7 (2) EXEMPT GRAIN DEALERS. The following grain dealers are not required to hold
8 a license under this section, but may volunteer to be licensed:

9 (a) A grain dealer who pays cash on delivery for all producer grain.

10 (b) A grain dealer who buys producer grain solely for the grain dealer’s own use
11 as feed or seed and who spends less than \$400,000 per license year for that grain.

12 (2m) LICENSE TERMS. A license under this section expires on the August 31
13 following its issuance. No person may transfer or assign a license issued under this
14 section.

15 (3) LICENSE APPLICATION. A grain dealer shall apply for an annual license under
16 this section in writing, on a form provided by the department. An applicant shall
17 provide all of the following:

18 (a) The applicant’s legal name and any trade name under which the applicant
19 proposes to operate as a grain dealer.

20 (b) A statement of whether the applicant is an individual, corporation,
21 partnership, cooperative, limited liability company, trust, or other legal entity. If the
22 applicant is a corporation or cooperative, the applicant shall identify each officer of
23 the corporation or cooperative. If the applicant is a partnership, the applicant shall
24 identify each partner.

1 (c) The mailing address of the applicant's primary business location and the
2 name of a responsible individual who may be contacted at that location.

3 (d) The street address of each business location from which the applicant
4 operates in this state as a grain dealer and the name of a responsible individual who
5 may be contacted at each location that is staffed.

6 (e) All license fees and surcharges required under sub. (4).

7 (f) The sworn and notarized statement required under sub. (9).

8 (g) A financial statement if required under s. 126.13 (1) and not yet filed.

9 (h) Other relevant information required by the department.

10 (4) LICENSE FEES AND SURCHARGES. A grain dealer applying for an annual license
11 under this section shall pay the following fees and surcharges, unless the
12 department specifies a different fee or surcharge amount by rule:

13 (a) A nonrefundable license processing fee of \$25.

14 (b) The following license fees based on the grain dealer's reported grain
15 payments under sub. (9) (a), less any credit provided under sub. (6):

16 1. A fee of \$500, plus \$225 per business location in excess of one business
17 location, if the amount under sub. (9) (a) is at least \$500,000.

18 2. A fee of \$200 if the amount under sub. (9) (a) is at least \$50,000 but less than
19 \$500,000.

20 3. A fee of \$50 if the amount under sub. (9) (a) is less than \$50,000.

21 (c) A license fee of \$45 for each truck, in excess of one truck, that the grain dealer
22 uses to haul grain in this state.

23 (d) A license surcharge of \$425 if the grain dealer files a financial statement
24 under s. 126.13 (1) that is not an audited financial statement.

1 (e) A license surcharge of \$500 if the department determines that, within 365
2 days before submitting the license application, the applicant operated as a grain
3 dealer without a license in violation of sub. (1). The applicant shall also pay any
4 license fees, license surcharges, and fund assessments that are still due for any
5 license year in which the applicant violated sub. (1).

6 (f) A license surcharge of \$100 if during the preceding 12 months the applicant
7 failed to file an annual financial statement required under s. 126.13 (1) (b) by the
8 deadline specified in s. 126.13 (1) (c).

9 (g) A license surcharge of \$100 if a renewal applicant fails to renew a license
10 by the license expiration date of August 31. This paragraph does not apply to a grain
11 dealer who is exempt under sub. (2) and is voluntarily licensed.

12 **(4m) EFFECT OF PAYMENT OF SURCHARGE.** Payment under sub. (4) (e) does not
13 relieve the applicant of any other civil or criminal liability that results from the
14 violation of sub. (1), but does not constitute evidence of any law violation.

15 **(5) LICENSE FOR PART OF YEAR; FEES.** A person who applies for an annual grain
16 dealer license after the beginning of a license year shall pay the full annual fee
17 amounts required under sub. (4).

18 **(6) FEE CREDITS.** If the balance in the fund contributed by grain dealers exceeds
19 \$2,000,000 on June 30 of any license year, the department shall credit 50% of the
20 excess amount against fees charged under sub. (4) (b) to contributing grain dealers
21 who file timely license renewal applications for the next license year. The
22 department shall credit each contributing grain dealer on a prorated basis, in
23 proportion to the total fees that the grain dealer paid under sub. (4) (b) for the 4
24 preceding license years.

1 **(7) FEE STATEMENT.** The department shall provide, with each license application
2 form, a written statement of all license fees and surcharges required under sub. (4)
3 or the formula for determining them. The department shall specify any fee credit for
4 which the applicant may qualify under sub. (6).

5 **(8) NO LICENSE WITHOUT FULL PAYMENT.** The department may not issue an
6 annual license under sub. (1) until the applicant pays all license fees and surcharges
7 identified in the department's statement under sub. (7). The department shall
8 refund a fee or surcharge paid under protest if upon review the department
9 determines that the fee or surcharge is not applicable.

10 **(9) SWORN AND NOTARIZED STATEMENT.** As part of a license application under sub.
11 (3), an applicant shall provide a sworn and notarized statement, signed by the
12 applicant or an officer of the applicant, that reports all of the following:

13 (a) The total amount that the applicant paid, during the applicant's last
14 completed fiscal year, for producer grain procured in this state. If the applicant has
15 not yet operated as a grain dealer in this state, the applicant shall estimate the
16 amount that the applicant will pay during the applicant's first complete fiscal year
17 for producer grain procured in this state.

18 (b) The amount of the payments under par. (a) made under deferred payment
19 contracts.

20 (c) Whether the applicant has had any obligations under deferred payment
21 contracts, for grain procured in this state, at any time since the beginning of the
22 applicant's last completed fiscal year.

23 **(10) ACTION GRANTING OR DENYING APPLICATION.** The department shall grant or
24 deny an application under sub. (3) within 30 days after the department receives a

1 complete application. If the department denies a license application, the department
2 shall give the applicant a written notice stating the reason for the denial.

3 (11) LICENSE DISPLAYED. A grain dealer licensed under sub. (1) shall
4 prominently display a copy of that license at the following locations:

5 (a) On each truck that the grain dealer uses to haul grain in this state.

6 (b) At each business location from which the grain dealer operates in this state.

7 **126.12 Grain dealers; insurance. (1) FIRE AND EXTENDED COVERAGE**
8 **INSURANCE.** A grain dealer licensed, or required to be licensed, under s. 126.11 shall
9 maintain fire and extended coverage insurance, issued by an insurance company
10 authorized to do business in this state, that covers all grain in the custody of the grain
11 dealer, whether owned by the grain dealer or held for others, at the full local market
12 value of the grain.

13 (2) INSURANCE CANCELLATION; REPLACEMENT. Whenever an insurance policy
14 under sub. (1) is canceled, the grain dealer shall replace the policy so that there is
15 no lapse in coverage.

16 (3) INSURANCE COVERAGE; MISREPRESENTATION. No grain dealer may
17 misrepresent any of the following to the department or to any grain producer or
18 producer agent:

19 (a) That the grain dealer is insured.

20 (b) The nature, coverage, or material terms of the grain dealer's insurance
21 policy.

22 **126.13 Grain dealers; financial statements. (1) REQUIRED ANNUAL**
23 **FINANCIAL STATEMENT.** (a) A grain dealer shall file an annual financial statement with
24 the department, before the department first licenses the grain dealer under s. 126.11,
25 if the grain dealer's license application reports any of the following:

1 1. More than \$500,000 in grain payments under s. 126.11 (9) (a).

2 2. Any deferred payment contract obligations under s. 126.11 (9) (c).

3 (b) A grain dealer licensed under s. 126.11 shall file an annual financial
4 statement with the department during each license year if the grain dealer's license
5 application for that year reports any of the following:

6 1. More than \$500,000 in grain payments under s. 126.11 (9) (a) unless the
7 grain dealer is a contributing grain dealer who procures producer grain in this state
8 solely as a producer agent.

9 2. Any deferred payment contract obligations under s. 126.11 (9) (c).

10 (c) A grain dealer shall file an annual financial statement under par. (b) by the
11 15th day of the 4th month following the close of the grain dealer's fiscal year, except
12 that the department may extend the filing deadline for up to 30 days if the grain
13 dealer, or the accountant reviewing or auditing the financial statement, files a
14 written extension request at least 10 days before the filing deadline.

15 (d) A grain dealer licensed under s. 126.11 may not incur any obligations under
16 deferred payment contracts for grain procured in this state unless the contractor first
17 notifies the department and files an annual financial statement with the
18 department.

19 (2) VOLUNTARY ANNUAL FINANCIAL STATEMENT. A contributing grain dealer who
20 is not required to file a financial statement under sub. (1) may file an annual
21 financial statement with the department to qualify for a lower fund assessment
22 under s. 126.15.

23 (3) REVIEWED OR AUDITED FINANCIAL STATEMENT. (a) A grain dealer filing an
24 annual financial statement under sub. (1) or (2) shall file an audited financial
25 statement if any of the following applies:

1 1. The grain dealer's license application reports more than \$3,000,000 in
2 payments under s. 126.11 (9) (a).

3 2. The grain dealer's last 2 license applications report more than \$2,000,000
4 in payments under s. 126.11 (9) (a).

5 (b) If par. (a) does not apply, a grain dealer filing an annual financial statement
6 under sub. (1) or (2) shall file either a reviewed financial statement or an audited
7 financial statement.

8 **(4) ACCOUNTING PERIOD.** A grain dealer filing an annual financial statement
9 under sub. (1) or (2) shall file a financial statement that covers the grain dealer's last
10 completed fiscal year unless the grain dealer has been in business for less than one
11 year.

12 **(4m) INTERIM FINANCIAL STATEMENT.** The department may, at any time, require
13 a grain dealer licensed under s. 126.11 to file an interim financial statement with the
14 department. The grain dealer shall provide, with the interim financial statement,
15 the grain dealer's sworn and notarized statement that the financial statement is
16 correct. An interim financial statement need not be a reviewed financial statement
17 or an audited financial statement.

18 **(5) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.** (a) Except as provided in par.
19 (b), a grain dealer filing an annual financial statement under this section shall file
20 a financial statement that is prepared according to generally accepted accounting
21 principles.

22 (b) If a grain dealer is a sole proprietor and the grain dealer's financial
23 statement is not audited, the grain dealer shall file a financial statement that is
24 prepared on a historical cost basis.

1 **(6) FINANCIAL STATEMENT CONTENTS.** (a) Except as provided in par. (b), a grain
2 dealer filing a financial statement under this section shall file a financial statement
3 that consists of a balance sheet, income statement, equity statement, statement of
4 cash flows, notes to those statements, and any other information required by the
5 department. If the grain dealer is a sole proprietor, the grain dealer shall file his or
6 her business and personal financial statements. A grain dealer shall disclose on the
7 grain dealer's financial statement, separately and clearly, the grain dealer's unpaid
8 obligations to grain producers and producer agents.

9 (b) If a grain dealer has been in business for less than one year, the grain dealer
10 may file an annual financial statement under sub. (1) or (2) consisting of a balance
11 sheet and notes.

12 (c) A grain dealer filing a financial statement under this section shall include
13 in the financial statement, or in an attachment to the financial statement,
14 calculations of all of the following:

15 1. The grain dealer's current ratio, excluding any assets required to be excluded
16 under sub. (7).

17 2. The grain dealer's debt to equity ratio, excluding any assets required to be
18 excluded under sub. (7).

19 **(7) ASSETS EXCLUDED.** A grain dealer may not include any of the following assets
20 in the calculations under sub. (6) (c) unless the department specifically approves
21 their inclusion:

22 (a) A nontrade note or account receivable from an officer, director, employee,
23 partner, or stockholder, or from a member of the family of any of those individuals,
24 unless the note or account receivable is secured by a first priority security interest
25 in real or personal property.

1 (b) A note or account receivable from a parent organization, a subsidiary, or an
2 affiliate, other than an employee.

3 (c) A note or account that has been receivable for more than one year, unless
4 the grain dealer has established an offsetting reserve for uncollectible notes and
5 accounts receivable.

6 (9) ENTITY COVERED. A person filing a financial statement under this section
7 may not file, in lieu of that person's financial statement, the financial statement of
8 the person's parent organization, subsidiary, predecessor, or successor.

9 (10) DEPARTMENT REVIEW. The department may analyze a financial statement
10 submitted under this section and may reject a financial statement that fails to
11 comply with this section.

12 **126.14 Contributing grain dealers; disqualification.** (1) CONTRIBUTION
13 REQUIRED. A grain dealer who is required to be licensed under s. 126.11 (1) shall pay
14 fund assessments under s. 126.15 unless the grain dealer is disqualified under sub.
15 (2). A grain dealer who is voluntarily licensed under s. 126.11 may pay voluntary
16 assessments under s. 126.15, unless the grain dealer is disqualified under sub. (2).

17 (2) DISQUALIFIED GRAIN DEALER. (a) A grain dealer who is required to file
18 security under s. 126.16 (1) (a) is disqualified from the fund until the department
19 determines that one of the conditions in s. 126.16 (8) (a) 1. and 2. is satisfied.

20 (b) A grain dealer is disqualified from the fund, and required to pay cash on
21 delivery for producer grain, if any of the following occurs:

22 1. The department denies, suspends, or revokes the grain dealer's license.

23 2. The department issues a written notice disqualifying the grain dealer for
24 cause, including failure to pay fund assessments under s. 126.15 when due or failure
25 to file a financial statement under s. 126.13 when due.

1 3. The grain dealer fails to reimburse the department, within 60 days after the
2 department issues a reimbursement demand under s. 126.73 (1), for the full amount
3 that the department pays to claimants under s. 126.72 (1) because of that grain
4 dealer's default.

5 4. The grain dealer fails to reimburse a bond surety, within 60 days after the
6 bond surety issues a reimbursement demand under s. 126.73 (2), for the full amount
7 that the surety pays to the department under s. 126.72 (2) or (3) for the benefit of
8 claimants affected by that grain dealer's default.

9 **(3) PAYMENTS BY DISQUALIFIED GRAIN DEALER.** (a) The department may not return
10 to a disqualified grain dealer any fund assessments that the grain dealer paid as a
11 contributing grain dealer.

12 (b) A disqualified grain dealer remains liable for any unpaid fund installment
13 under s. 126.15 that became due while the grain dealer was a contributing grain
14 dealer. A disqualified grain dealer is not liable for any fund installment that becomes
15 due after the grain dealer is disqualified under sub. (2).

16 **126.15 Contributing grain dealers; fund assessments. (1) GENERAL.** A
17 contributing grain dealer shall pay an annual fund assessment for each license year.
18 The assessment equals \$20 or the sum of the following, whichever is greater, unless
19 the department by rule specifies a different assessment:

20 (a) The grain dealer's current ratio assessment. The current ratio assessment
21 for a license year equals the grain dealer's current ratio assessment rate under sub.
22 (2) multiplied by the amount reported under s. 126.11 (9) (a) in the grain dealer's
23 license application for that license year.

24 (b) The grain dealer's debt to equity ratio assessment. The debt to equity ratio
25 assessment for a license year equals the grain dealer's debt to equity ratio

1 assessment rate under sub. (4) multiplied by the amount reported under s. 126.11
2 (9) (a) in the grain dealer's license application for that license year.

3 (c) The grain dealer's deferred payment assessment. The deferred payment
4 assessment for a license year equals the grain dealer's deferred payment assessment
5 rate under sub. (6) multiplied by the payment amount, if any, that the grain dealer
6 reports under s. 126.11 (9) (b) in the grain dealer's license application for that license
7 year.

8 (2) CURRENT RATIO ASSESSMENT RATE. A grain dealer's current ratio assessment
9 rate is calculated, at the beginning of the license year, as follows:

10 (a) If the grain dealer has filed an annual financial statement under s. 126.13
11 and that financial statement shows a current ratio of at least 1.25 to 1.0, the grain
12 dealer's current ratio assessment rate equals the greater of zero or the current ratio
13 assessment factor in sub. (3) (a) multiplied by the following amount:

- 14 1. Subtract one from the current ratio.
- 15 2. Divide the amount determined under subd. 1. by 3.
- 16 3. Multiply the amount determined under subd. 2. by negative one.
- 17 4. Raise the amount determined under subd. 3. to the 3rd power.
- 18 5. Subtract 0.75 from the current ratio.
- 19 6. Divide 0.65 by the amount determined under subd. 5.
- 20 7. Raise the amount determined under subd. 6. to the 5th power.
- 21 8. Add the amount determined under subd. 4. to the amount determined under
22 subd. 7.
- 23 9. Add 2 to the amount determined under subd. 8.

24 (b) If the grain dealer has filed an annual financial statement under s. 126.13
25 and that financial statement shows a current ratio of less than 1.25 to 1.0, but greater

1 than 1.0 to 1.0, the grain dealer's current ratio assessment rate equals the current
2 ratio assessment factor in sub. (3) (b) multiplied by the following amount:

- 3 1. Subtract one from the current ratio.
- 4 2. Divide the amount determined under subd. 1. by 3.
- 5 3. Multiply the amount determined under subd. 2. by negative one.
- 6 4. Raise the amount determined under subd. 3. to the 3rd power.
- 7 5. Subtract 0.75 from the current ratio.
- 8 6. Divide 0.65 by the amount determined under subd. 5.
- 9 7. Raise the amount determined under subd. 6. to the 5th power.
- 10 8. Add the amount determined under subd. 4. to the amount determined under
11 subd. 7.
- 12 9. Add 2 to the amount determined under subd. 8.

13 (c) If the grain dealer has filed an annual financial statement under s. 126.13
14 and that financial statement shows a current ratio of less than or equal to 1.0 to 1.0,
15 the grain dealer's current ratio assessment rate equals the current ratio assessment
16 factor in sub. (3) (b) multiplied by 120.81376.

17 (d) Except as provided in par. (e), if the grain dealer has not filed an annual
18 financial statement under s. 126.13, the grain dealer's current ratio assessment rate
19 equals the current ratio assessment factor in sub. (3) (b) multiplied by 5.71235.

20 (e) If the grain dealer has not filed an annual financial statement under s.
21 126.13 and the grain dealer procures grain in this state solely as a producer agent,
22 the grain dealer's current ratio assessment rate is 0.00025, except that, for the grain
23 dealer's 5th or higher consecutive full license year of participation in the fund, the
24 grain dealer's current ratio assessment rate is 0.000175.

1 **(3) CURRENT RATIO ASSESSMENT FACTOR.** (a) A grain dealer's current ratio
2 assessment factor under sub. (2) (a) is 0.00003 except that, for the grain dealer's 5th
3 or higher consecutive full license year as a contributing grain dealer, the grain
4 dealer's current ratio assessment factor is zero.

5 (b) A grain dealer's current ratio assessment factor under sub. (2) (b) to (d) is
6 0.000045 except that, for the grain dealer's 5th or higher consecutive full license year
7 as a contributing grain dealer, the grain dealer's current ratio assessment factor is
8 0.000036.

9 **(4) DEBT TO EQUITY ASSESSMENT RATE.** A grain dealer's debt to equity ratio
10 assessment rate is calculated, at the beginning of the license year, as follows:

11 (a) If the grain dealer has filed an annual financial statement under s. 126.13
12 and that financial statement shows positive equity and a debt to equity ratio of not
13 more than 4.0 to 1.0, the grain dealer's debt to equity ratio assessment rate equals
14 the greater of zero or the debt to equity ratio assessment factor in sub. (5) (a)
15 multiplied by the following amount:

- 16 1. Subtract 4 from the debt to equity ratio.
- 17 2. Divide the amount determined under subd. 1. by 3.
- 18 3. Raise the amount determined under subd. 2. to the 3rd power.
- 19 4. Subtract 1.7 from the debt to equity ratio.
- 20 5. Divide the amount determined under subd. 4. by 1.75.
- 21 6. Raise the amount determined under subd. 5. to the 7th power.
- 22 7. Add the amount determined under subd. 3. to the amount determined under
23 subd. 6.
- 24 8. Add 2 to the amount determined under subd. 7.

1 (b) If the grain dealer has filed an annual financial statement under s. 126.13
2 and that financial statement shows a debt to equity ratio of greater than 4.0 to 1.0,
3 but less than 5.0 to 1.0, the grain dealer's debt to equity ratio assessment rate equals
4 the debt to equity ratio assessment factor in sub. (5) (b) multiplied by the following
5 amount:

- 6 1. Subtract 4 from the debt to equity ratio.
- 7 2. Divide the amount determined under subd. 1. by 3.
- 8 3. Raise the amount determined under subd. 2. to the 3rd power.
- 9 4. Subtract 1.7 from the debt to equity ratio.
- 10 5. Divide the amount determined under subd. 4. by 1.75.
- 11 6. Raise the amount determined under subd. 5. to the 7th power.
- 12 7. Add the amount determined under subd. 3. to the amount determined under
13 subd. 6.
- 14 8. Add 2 to the amount determined under subd. 7.

15 (c) If the grain dealer has filed an annual financial statement under s. 126.13
16 and that financial statement shows negative equity or a debt to equity ratio of at least
17 5.0 to 1.0, the grain dealer's debt to equity ratio assessment rate equals the debt to
18 equity ratio assessment factor in sub. (5) (b) multiplied by 86.8244.

19 (d) Except as provided in par. (e), if the grain dealer has not filed an annual
20 financial statement under s. 126.13, the grain dealer's debt to equity ratio
21 assessment rate equals the debt to equity ratio assessment factor in sub. (5) (b)
22 multiplied by 8.77374.

23 (e) If the grain dealer has not filed an annual financial statement under s.
24 126.13 and the grain dealer procures grain in this state solely as a producer agent,
25 the grain dealer's debt to equity ratio assessment rate is 0.00025, except that it is

1 0.000175 for the grain dealer's 5th or higher consecutive full license year of
2 participation in the fund.

3 (5) DEBT TO EQUITY RATIO ASSESSMENT FACTOR. (a) A grain dealer's debt to equity
4 ratio assessment factor under sub. (4) (a) is 0.0000125, except that it is zero for the
5 grain dealer's 5th or higher consecutive full license year as a contributing grain
6 dealer.

7 (b) A grain dealer's debt to equity ratio assessment factor under sub. (4) (b) to
8 (d) is 0.00001875, except that it is 0.000015 for the grain dealer's 5th or higher
9 consecutive full license year as a contributing grain dealer.

10 (6) DEFERRED PAYMENT ASSESSMENT RATE. A grain dealer's deferred payment
11 assessment rate is 0.0035, except that it is 0.002 for the grain dealer's 5th or higher
12 consecutive full license year as a contributing grain dealer.

13 (7) QUARTERLY INSTALLMENTS. (a) A contributing grain dealer shall pay the
14 grain dealer's annual fund assessment in equal quarterly installments that are due
15 as follows:

- 16 1. The first installment is due on October 1 of the license year.
- 17 2. The 2nd installment is due on January 1 of the license year.
- 18 3. The 3rd installment is due on April 1 of the license year.
- 19 4. The 4th installment is due on July 1 of the license year.

20 (b) A contributing grain dealer may prepay any of the quarterly installments
21 under par. (a).

22 (c) A contributing grain dealer who applies for an annual license after the
23 beginning of a license year shall pay the full annual fund assessment required under
24 this section. The grain dealer shall pay, with the first quarterly installment that

1 becomes due after the day on which the department issues the license, all of that
2 year's quarterly installments that became due before that day.

3 (d) A contributing grain dealer who fails to pay the full amount of any quarterly
4 installment when due shall pay, in addition to that installment, a late payment
5 penalty of \$50 or 10% of the overdue installment amount, whichever is greater.

6 (8) NOTICE OF ANNUAL ASSESSMENT AND QUARTERLY INSTALLMENTS. When the
7 department issues an annual license to a contributing grain dealer, the department
8 shall notify the grain dealer of all of the following:

9 (a) The amount of the grain dealer's annual fund assessment under this
10 section.

11 (b) The amount of each required quarterly installment under sub. (7) and the
12 date by which the grain dealer must pay each installment.

13 (c) The penalty that applies under sub. (7) (d) if the grain dealer fails to pay any
14 quarterly installment when due.

15 **126.16 Grain dealers; security. (1) SECURITY REQUIRED.** (a) A grain dealer
16 shall file security with the department, and maintain that security until the
17 department releases it under sub. (8) (a), if all of the following apply when the
18 department first licenses the grain dealer under s. 126.11:

19 1. The grain dealer reports more than \$500,000 in grain payments under s.
20 126.11 (9) (a).

21 2. The grain dealer files an annual financial statement under s. 126.13 (1) (a)
22 and that financial statement shows negative equity.

23 (b) A grain dealer who reports any deferred payment contract obligations under
24 s. 126.11 (9) (c) or 126.13 (1) (d) shall file security with the department, and maintain

1 that security until the department releases it under sub. (8) (b), unless the grain
2 dealer has positive equity and one of the following applies:

3 1. The grain dealer's annual financial statement under s. 126.13 covers a fiscal
4 year ending on or before January 1, 2006, and shows a debt to equity ratio of not more
5 than 5.0 to 1.0.

6 2. The grain dealer's annual financial statement under s. 126.13 covers a fiscal
7 year ending after January 1, 2006, and shows a debt to equity ratio of not more than
8 4.0 to 1.0.

9 (2) SECURITY CONTINUED. A grain dealer who filed security under ch. 127, 1999
10 stats., before September 1, 2002, shall maintain that security until the department
11 releases it under sub. (8) (c).

12 (3) AMOUNT OF SECURITY. A grain dealer who is required to file or maintain
13 security under this section shall at all times maintain security that is at least equal
14 to the sum of the following:

15 (a) An amount equal to 35% of the grain dealer's average monthly payment for
16 the 3 months, during the preceding 12 months, in which the grain dealer made the
17 largest monthly payments for producer grain procured in this state, except that this
18 amount is not required of a contributing grain dealer after December 1, 2002.

19 (b) The grain dealer's highest total, at any time during the preceding 12
20 months, of unpaid obligations for producer grain procured in this state under
21 deferred payment contracts.

22 (4) FORM OF SECURITY. The department shall review, and determine whether
23 to approve, security filed or maintained under this section. The department may
24 approve only the following types of security:

25 (a) Currency.

1 (b) A commercial surety bond if all of the following apply:

2 1. The surety bond is made payable to the department for the benefit of grain
3 producers and producer agents.

4 2. The surety bond is issued by a person authorized to operate a surety business
5 in this state.

6 3. The surety bond is issued as a continuous term bond that may be canceled
7 only with the department's written agreement or upon 90 days' prior written notice
8 served on the department in person or by certified mail.

9 4. The surety bond is issued in a form, and subject to any terms and conditions,
10 that the department considers appropriate.

11 (c) A certificate of deposit or money market certificate if all of the following
12 apply:

13 1. The certificate is issued or endorsed to the department for the benefit of grain
14 producers and producer agents who deliver grain to the grain dealer.

15 2. The certificate may not be canceled or redeemed without the department's
16 written authorization.

17 3. No person may transfer or withdraw funds represented by the certificate
18 without the department's written permission.

19 4. The certificate renews automatically without any action by the department.

20 5. The certificate is issued in a form, and subject to any terms and conditions,
21 that the department considers appropriate.

22 (d) An irrevocable bank letter of credit if all of the following apply:

23 1. The letter of credit is payable to the department for the benefit of grain
24 producers and producer agents.

25 2. The letter of credit is issued on bank letterhead.

1 3. The letter of credit is issued for an initial period of at least one year.

2 4. The letter of credit renews automatically unless at least 90 days before the
3 scheduled renewal date the issuing bank gives the department written notice, in
4 person or by certified mail, that the letter of credit will not be renewed.

5 5. The letter of credit is issued in a form, and subject to any terms and
6 conditions, that the department considers appropriate.

7 (e) Security filed under ch. 127, 1999 stats., before September 1, 2002, except
8 that on January 1, 2003, the department shall withdraw its approval of any security
9 that is not approvable under pars. (a) to (d).

10 **(5) DEPARTMENT CUSTODY OF SECURITY.** The department shall hold, in its custody,
11 all security filed and maintained under this section. The department shall hold the
12 security for the benefit of grain producers and producer agents who deliver grain to
13 a grain dealer.

14 **(6) MONTHLY REPORTS.** A grain dealer who is required to file or maintain
15 security under this section shall file monthly reports with the department. The grain
16 dealer shall file a report on or before the 10th day of each month, in a form specified
17 by the department. In a monthly report, a grain dealer shall provide information
18 reasonably required by the department, including all of the following:

19 (a) The grain dealer's average monthly payment for the 3 months, during the
20 preceding 12 months, in which the grain dealer made the largest monthly payments
21 for producer grain procured in this state.

22 (b) The grain dealer's highest total unpaid obligations, at any time during the
23 preceding 12 months, for producer grain procured in this state under deferred
24 payment contracts. If the amount owed on deferred price contracts has not yet been

1 determined, the grain dealer shall estimate the amount based on contract terms and
2 prevailing market prices on the last day of the previous month.

3 (7) ADDITIONAL SECURITY. (a) The department may, at any time, demand
4 additional security from a grain dealer if any of the following applies:

5 1. The grain dealer's existing security falls below the amount required under
6 sub. (3) for any reason, including depreciation in the value of the security filed with
7 the department, an increase in grain payments or grain prices, or the cancellation
8 of any security filed with the department.

9 2. The grain dealer fails to provide required information that is relevant to a
10 determination of security requirements.

11 (b) The department shall issue a demand under par. (a) in writing. The
12 department shall indicate why the security is required, the amount of security
13 required, and the deadline date for filing security. The department may not specify
14 a deadline for filing security that is more than 30 days after the date on which the
15 department issues its demand for security.

16 (c) A grain dealer may request a hearing, under ch. 227, on a demand for
17 security under par. (b). A request for hearing does not automatically stay a security
18 demand.

19 (d) If a grain dealer fails to comply with the department's demand for security
20 under this subsection, the grain dealer shall give written notice of that fact to all
21 grain producers and producer agents from whom the grain dealer procures producer
22 grain in this state. If the grain dealer fails to give accurate notice under this
23 paragraph within 5 days after the deadline for filing security under par. (b) has
24 passed, the department shall promptly notify those grain producers and producer
25 agents by publishing a class 3 notice under ch. 985. The department may also give

1 individual notice to those grain producers or producer agents of whom the
2 department is aware.

3 (e) If a grain dealer fails to comply with the department's demand for security
4 under this subsection, the department may do any of the following:

5 1. Issue a summary order under s. 126.55 (2) that prohibits the grain dealer
6 from procuring producer grain or requires the grain dealer to pay cash on delivery
7 for all producer grain.

8 2. Suspend or revoke the grain dealer's license.

9 (8) RELEASING SECURITY. (a) The department may release security filed under
10 sub. (1) (a), except for any amount of security that the grain dealer is required to file
11 because sub. (1) (b) applies to the grain dealer, if any of the following applies:

12 1. The grain dealer reports, for at least 2 consecutive years, no more than
13 \$500,000 in annual grain payments under s. 126.11 (9) (a) and the grain dealer pays
14 the quarterly fund assessment that would have been required of the grain dealer if
15 the grain dealer had been a contributing grain dealer on the most recent quarterly
16 installment date under s. 126.15 (7).

17 2. The grain dealer's annual financial statement under s. 126.13 shows positive
18 equity for at least 2 consecutive years and the grain dealer pays the quarterly fund
19 assessment that would have been required of the grain dealer if the grain dealer had
20 been a contributing grain dealer on the most recent quarterly installment date under
21 s. 126.15 (7).

22 (b) The department may release security filed under sub. (1) (b), except for any
23 amount of security that the grain dealer is required to file because sub. (1) (a) applies
24 to the grain dealer, if any of the following applies:

1 1. The grain dealer has not had any deferred payment contract obligations
2 since the beginning of the grain dealer's last completed fiscal year.

3 2. The grain dealer files 2 consecutive annual financial statements under s.
4 126.13 showing that the grain dealer meets the applicable equity requirement and
5 debt to equity ratio under sub. (1) (b).

6 (c) On December 1, 2002, the department may release security maintained
7 under sub. (2), unless the grain dealer is required to file security under sub. (1).

8 (d) The department may release security to the extent that the security exceeds
9 the amount required under sub. (3).

10 (e) The department may release security if the grain dealer files alternative
11 security, of equivalent value, that the department approves.

12 (f) The department shall release security if the grain dealer is no longer in
13 business and has paid all grain obligations in full.

14 **126.17 Grain dealers; records. (1) RECORDS AND ACCOUNTS; GENERAL.** A grain
15 dealer shall keep records and accounts of all grain procured and all grain sold or
16 marketed by the grain dealer. A grain dealer shall keep records that are complete,
17 accurate, current, well-organized, and accessible, so that the grain dealer and the
18 department can readily determine all of the following:

19 (a) The kinds and amounts of grain procured, the procurement dates, the
20 procurement terms, and the persons from whom the grain dealer procured the grain.

21 (b) The kinds and amounts of grain sold or marketed, the sale or marketing
22 dates, the sale or marketing terms, and the persons to whom the grain dealer sold
23 or marketed the grain.

24 (c) The kinds and amounts of grain, received from others, that the grain dealer
25 has used for feed, seed, milling, manufacturing, processing, or other purposes.

1 (d) The kinds and amounts of grain, received from others, that the grain dealer
2 has on hand, including the kinds and amounts of grain owned by the grain dealer,
3 and the kinds and amounts of grain held for others.

4 (e) The nature and amount of the grain dealer's obligations to grain producers
5 and producer agents, including obligations under deferred payment contracts. The
6 grain dealer shall keep a daily record of obligations under priced contracts and a
7 separate daily record of obligations under deferred price contracts that have not yet
8 been priced.

9 (f) The nature and amount of the grain dealer's obligations to depositors, as
10 defined in s. 126.25 (5), under agreements for the storage of grain, if any.

11 (g) The grain dealer's accounts receivable from the sale or marketing of grain,
12 including the names of the account debtors, the amount receivable from each account
13 debtor, and the dates on which payment is due.

14 **(2) RECORDS OF GRAIN PROCURED.** A grain dealer shall keep records all of the
15 following related to each shipment of grain procured by the grain dealer:

16 (a) The kind and weight of grain procured.

17 (b) The grade and quality of the grain if determined.

18 (c) The date on which the grain dealer procured the grain.

19 (d) The name and address of the person from whom the grain dealer procured
20 the grain.

21 (e) Whether the grain dealer purchased the grain, holds it under an agreement
22 for storage, or is marketing the grain as a producer agent.

23 (f) The terms of purchase, storage, or marketing.

24 (g) If the grain dealer procured the grain under a deferred payment contract,
25 the terms of that contract.

1 (3) RECORDS RETENTION; INSPECTION. (a) A grain dealer shall keep copies of all
2 of the following records for at least 6 years after the records are created:

3 1. Records required under this section and s. 126.18 (2).

4 2. Records that the grain dealer was required to keep, under ch. 127, 1999
5 stats., and department rules, before September 1, 2002.

6 (b) A grain dealer shall make records required under this section available to
7 the department for inspection and copying upon request.

8 **126.18 Grain dealers; receipts for grain.** (1) REQUIREMENT. Whenever a
9 grain dealer receives grain from any person, the grain dealer shall immediately give
10 that person a written receipt for the grain that includes all of the following:

11 (a) The name of the grain dealer and a statement indicating whether the grain
12 dealer is a corporation.

13 (b) A permanent business address at which the holder of the receipt can readily
14 contact the grain dealer.

15 (c) A statement identifying the document as a receipt for grain.

16 (d) The date on which the grain dealer received the grain.

17 (e) The kind of grain received.

18 (f) The net weight of grain received or, if the grain dealer receives the grain at
19 the grain producer's farm, the approximate net weight of the grain.

20 (g) The grade and quality of the grain, if determined.

21 (h) A statement identifying the receipt as a purchase receipt, storage receipt,
22 or receipt for grain marketed by the grain dealer as a producer agent.

23 (i) The grain dealer's promise to pay the total amount due for grain, less any
24 discounts that may apply, within 7 calendar days after the date of receipt of the grain.

25 This requirement does not apply if any of the following applies:

- 1 1. The grain dealer pays cash on delivery.
- 2 2. The grain dealer receives the grain under a deferred payment contract that
- 3 complies with s. 126.19.
- 4 3. The receipt is clearly identified as a storage receipt.

5 **(1m) EFFECT OF FAILURE TO IDENTIFY RECEIPT.** A receipt not clearly identified
6 under sub. (1) (h) is considered a purchase receipt except that, if the grain dealer also
7 operates as a grain warehouse keeper, as defined in s. 126.25 (9), under the same
8 name, a receipt not clearly identified is considered a storage receipt.

9 **(2) GRAIN DEALER'S COPIES.** A grain dealer shall keep copies of all receipts issued
10 under sub. (1).

11 **126.19 Grain dealers; deferred payment contracts. (1) CONTRACT IN**
12 **WRITING.** A grain dealer may not procure grain from any grain producer or producer
13 agent under a deferred payment contract before the contract is reduced to writing
14 and signed by the parties. The grain dealer shall provide a copy of the signed contract
15 to the other party.

16 **(2) CONTENTS OF CONTRACT.** A grain dealer may not enter into a deferred
17 payment contract unless the deferred payment contract includes all of the following:

18 (a) A unique contract identification number.

19 (b) The type, weight, grade, and quality of grain procured and a statement that
20 price adjustments may apply if delivered grain varies in grade or quality from that
21 identified in the contract.

22 (c) The price for the grain or, in a deferred price contract, the method and
23 deadline by which the price will be determined.

24 (d) The date by which the grain dealer agrees to make full payment for the
25 grain, which may not be more than 180 days after the date on which the contract price

1 is established or more than 180 days after the date on which the grain dealer takes
2 custody or control of the grain, whichever is later.

3 (dm) If the contract is a deferred price contract, a pricing deadline that is not
4 more than one year after the date on which the grain dealer takes custody or control
5 of the grain.

6 (e) The grain dealer's permanent business location.

7 (f) Other information required under this section.

8 **(3) PAYMENT AND PRICING DEADLINES.** (a) A grain dealer shall make full payment
9 under a deferred payment contract by the deadline date specified in the contract.

10 (b) The parties may not extend a payment or pricing deadline under sub. (2)
11 (d) or (dm), except that they may sign a new contract that extends either deadline
12 or both deadlines for up to 180 days if the new contract refers to the contract number
13 of the original contract.

14 **(4) REQUIRED NOTICE.** A grain dealer may not enter into a deferred payment
15 contract unless the deferred payment contract clearly discloses that it is not a storage
16 contract. Whenever a grain dealer buys grain from a grain producer under a deferred
17 payment contract, the grain dealer shall include the following statement in
18 capitalized, boldface print immediately above the contract signature line: "This is
19 not a storage contract. The grain dealer (buyer) becomes the owner of any grain that
20 the producer (seller) delivers to the grain dealer under this contract. The producer
21 relinquishes ownership and control of the grain, and becomes an unsecured creditor
22 pending payment."

23 **(5) DEFERRED PAYMENT CONTRACT ASSESSMENT.** From the amount that a grain
24 dealer pays to a grain producer or producer agent under a deferred payment contract,
25 the grain dealer shall deduct a deferred payment contract assessment. The