

IC 15-17-14

Chapter 14. Livestock Dealers

IC 15-17-14-1

Application of chapter

Sec. 1. This chapter does not apply to the following:

- (1) The purchase of livestock by an individual for the individual's own use other than resale on the livestock market.
- (2) The distribution of livestock in connection with programs dedicated to improvement of breeding practices or experimental procedures in which the ownership of the livestock remains vested, in whole or in part, in the distributor or breeder.
- (3) The purchase or sale of livestock by a producer or farmer that buys or sells livestock in connection with a business of raising, feeding, grazing, or breeding livestock as a part of a farming enterprise and does not follow a definite or routine pattern of disposing of acquired livestock through channels of trade in less than sixty (60) days after the date of acquisition as part of a farming enterprise as distinguished from that of a dealer or trader.
- (4) The purchase of livestock by slaughtering establishments, meat processors, restaurants, grocery stores, meat markets, and similar businesses if:
 - (A) the livestock is purchased solely for the purpose of being processed into meat products for use or sale in connection with the business; and
 - (B) the total number of livestock purchased for the use or sale does not exceed twenty (20) in any one (1) week.

As added by P.L.2-2008, SEC.8.

IC 15-17-14-2

License requirement

Sec. 2. Unless specifically exempted in this chapter, a person must obtain a license under this chapter to act as a dealer in livestock in Indiana. A person may not deal in livestock after the expiration, suspension, or revocation of the person's license.

As added by P.L.2-2008, SEC.8.

IC 15-17-14-3

Classification of dealers

Sec. 3. The board shall classify dealers required to be licensed under this chapter based on the enterprise in which each dealer is engaged. The classifications must be consistent with the definitions set forth in this article and must be based on the facts in the dealer's license application and any supporting papers or any inquiry or investigation made in conjunction with the application.

As added by P.L.2-2008, SEC.8.

IC 15-17-14-4

License classifications

Sec. 4. (a) Licenses are issued under the following classifications:

(1) A market facility dealer license issued to livestock auction markets, stockyards, packers, or concentration points.

(2) An individual dealer license issued to individual dealers and market agencies not operating a market facility.

(b) A separate license is required for each location at which stockyards, packing plants, market agencies, or livestock auction markets are operated. More than one (1) license may not be required of individual dealers other than those operating as market agencies at different locations.

(c) A license issued under this chapter continues in effect until the licensee ceases operating as a livestock dealer in Indiana or the board revokes the license.

(d) The board may adopt rules to implement this chapter, including the following:

(1) Procedures for issuing, suspending, revoking, and updating licenses.

(2) Requiring annual or other regular reports from licensees to:

(A) determine the required amount of bond coverage under this chapter or the current status of agents or other personnel acting under the license; or

(B) update other information used in administering the requirements of this chapter.

As added by P.L.2-2008, SEC.8.

IC 15-17-14-5

Dealers and agents

Sec. 5. (a) Subject to subsection (b), a livestock dealer may designate agents subject to the liabilities that ordinarily attach under a contract of agency. An agent may deal in livestock for the principal under the principal's livestock dealer license. An agent dealing in livestock may deal only as an agent for the principal unless the agent has obtained a separate license under this chapter.

(b) A livestock dealer may not designate an individual as an agent if the individual's dealer's license was suspended or revoked in any state or by the United States Department of Agriculture, Grain Inspection, Packers and Stockyards Administration during the two (2) years preceding the proposed designation.

As added by P.L.2-2008, SEC.8.

IC 15-17-14-6

Maintenance of bond

Sec. 6. (a) Except as provided under sections 7 and 8 of this chapter, before operating a livestock dealer business, a person must execute and maintain a bond or bond equivalent that meets the requirements of this section.

(b) The form of the bond or bond equivalent shall be prescribed by

the board and must meet the following minimum requirements:

(1) The instrument must be payable to the state of Indiana, as obligee, for any person who may be damaged as a result of a breach of the conditions of the instrument.

(2) The terms of the instrument must secure the performance of the licensee's obligations under this chapter. The instrument must specifically provide that the dealer will pay all legal claims that may accrue in favor of any seller of livestock in Indiana.

(3) The surety on any livestock dealer bond or bond equivalent must be a surety company authorized to do business in Indiana.

(4) The bond or bond equivalent is considered to be continuous unless otherwise specified. The instrument must contain a provision requiring that, before terminating the instrument, the terminating party must serve to the board either:

(A) written notice of termination at least thirty (30) days before the effective date of the termination; or

(B) notice of a valid replacement bond or bond equivalent that provides continuous coverage.

(c) The livestock dealer bond or bond equivalent required under this section must be an amount that is not less than the next highest multiple of five thousand dollars (\$5,000) above the quotient of:

(1) the dollar amount of livestock transactions conducted by the license applicant during the preceding twelve (12) months, or in that part of the year in which the applicant did business; divided by

(2) the number of days on which business was conducted.

(d) The following apply to the calculation set forth in subsection (c):

(1) The number of days on which business was conducted in a year may not exceed one hundred thirty (130).

(2) The amount of the bond or bond equivalent may not be less than ten thousand dollars (\$10,000), and when the requirements exceed fifty thousand dollars (\$50,000) under the calculations as specified in subsection (c), the amount of the instrument need not exceed fifty thousand dollars (\$50,000) plus ten percent (10%) of the excess raised to the next multiple of five thousand dollars (\$5,000).

(e) If the gross amount of business transacted during a twelve (12) month period changes and warrants an increase in the amount of bond or bond equivalent coverage required under this chapter, the dealer shall have the bond or bond equivalent adjusted to comply with this chapter. If the gross amount of business changes to warrant a decrease in the amount of bond or bond equivalent required under this chapter, the dealer may have the bond or bond equivalent adjusted accordingly.

(f) A licensee may furnish a blanket bond or bond equivalent, based upon the gross amount of business transacted on an annual basis for each enterprise operated under the same ownership, instead of individual instruments for each enterprise operated.

As added by P.L.2-2008, SEC.8.

IC 15-17-14-7

Bond or bond equivalent with other agency

Sec. 7. If a licensee under this chapter has a valid bond or bond equivalent on file with the United States Department of Agriculture, Grain Inspection and Packers and Stockyards Administration, and the bond or bond equivalent is an adequate amount and conditioned upon terms that provide at least as much protection to sellers of livestock as a state bond under this chapter, additional coverage by bond or bond equivalent under this chapter is not required.

As added by P.L.2-2008, SEC.8.

IC 15-17-14-8

Packer; security

Sec. 8. A packer, other than a packer operating stockyards in Indiana, is not required to furnish security under section 6 of this chapter if a bond or bond equivalent is not required of the packers under the federal Packers and Stock Yards Act of 1921 (7 U.S.C. 181 through 7 U.S.C. 229).

As added by P.L.2-2008, SEC.8.

IC 15-17-14-9

Records

Sec. 9. A dealer required to be licensed under this chapter shall keep records, accounts, and memoranda fully and correctly disclosing all purchases, sales, or transfers involving completed livestock transactions in connection with the dealer's business. The records concerning the business must disclose all persons with an ownership interest in the business, including stockholders. If the board finds that the accounts, records, memoranda, and ownership interest do not fully disclose all the transactions involved in the dealer's business, the board may prescribe the record keeping procedures that the dealer must follow.

As added by P.L.2-2008, SEC.8.

IC 15-17-14-10

Scales

Sec. 10. (a) Scales used by a dealer licensed under this chapter are subject to inspection and testing by a scale inspector who may be any weights and measures inspector appointed by the state department of health. Scales are subject to the applicable requirements of the code of specifications, tolerances, and rules for scales adopted by the state department of health.

(b) If, after proper inspection and testing, a scale fails to meet the applicable requirements of subsection (a), the scale inspector may condemn the scale to prevent its further use until the scale is brought into conformance with the requirements.

(c) A dealer licensed under this chapter, after a hearing under this

chapter, shall have the dealer's license revoked if the hearing establishes that the dealer is guilty of fraudulent, deceptive, or dishonest practices in the weighing of livestock.

As added by P.L.2-2008, SEC.8.

IC 15-17-14-11

Offenses; civil penalties

Sec. 11. (a) A person who knowingly or intentionally allows a scale to be used in a business transaction involving the purchase, sale, or exchange of livestock:

- (1) after the scale has been condemned; and
- (2) before it has been repaired to the satisfaction of the scale inspector;

commits a Level 6 felony.

(b) In addition to any criminal penalties imposed, a person who violates subsection (a) may be subject to a civil penalty of fifty dollars (\$50) for each day the defective scale is used. If a civil penalty is assessed under this subsection and not paid, the prosecuting attorney of the county where the proceeding was brought may enforce the collection of the civil penalty. Civil penalties collected under this section must be deposited in the state general fund.

As added by P.L.2-2008, SEC.8. Amended by P.L.158-2013, SEC.211.