

**251.380 Periodic inspections of licensed grain warehouses and licensed grain dealers -- Correction of deficiencies.**

- (1) The department shall inspect each licensed grain warehouse at least two (2) times each year. The department's inspection shall include:
  - (a) A determination whether the grain in storage is properly accounted for;
  - (b) An assessment of the storage facilities for fitness; and
  - (c) An assessment of the condition of the grain in storage.
- (2) The department shall permit a licensee to store grain at another facility that is licensed and located in the Commonwealth of Kentucky, if the requirements for a surety bond or other evidence of financial responsibility set forth in KRS 251.365 are satisfied.
- (3) A licensee that is short of grain may cover the shortage by:
  - (a) Acquiring additional bond on one hundred percent (100%) of the value of the grain; or
  - (b) Depositing the shortage value of the grain into a special account that is payable jointly to the licensee and the department.
- (4) The department may allow a licensee that is short of grain to substitute one (1) type of grain for another type of grain on a dollar-for-dollar basis.
- (5) The department shall inspect each licensed grain dealer at least one (1) time each year. The department's inspection shall include:
  - (a) An inspection of the licensee's scale tickets, settlements, and canceled checks; and
  - (b) Verification that payments are made by the dealer within thirty (30) days of the completion of delivery.
- (6) A licensee that is short of grain shall correct any deficiencies identified by the department within the deadline mandated by the department.

**Effective:** August 1, 2019

**History:** Created 2019 Ky. Acts ch. 88, sec. 12, effective August 1, 2019.