

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND LIVESTOCK

The meeting was called to order by Rep. Bill Fuller at
Chairperson

9:00 a.m./~~p.m.~~ on March 23, 1983 in room 423-S of the Capitol.

All members were present except: Rep. Bussman, excused
Rep. Solbach, excused
Rep. Teagarden, excused

Committee staff present:

Bruce Hurd, Revisor of Statutes' Office
Raney Gilliland, Legislative Research Department
Kathleen Moss, Committee secretary

Conferees appearing before the committee:

Dee Likes, Kansas Livestock Association
Nancy Kantola, Kansas Coop Council
T. C. Anderson, Kansas Society of Certified Public Accountants
Tom Tunnell, Kansas Grain and Feed Dealers Association
Marvin Webb, Director, State Grain Inspection Department
Rep. Max Moomaw
John Crofoot, Kansas Grain and Feed Dealers Association

Chairman Fuller requested action on the Minutes of the March 21, 1983 meeting. Rep. Buehler moved the Minutes be accepted. Rep. Eckert seconded the motion and motion carried.

Chairman Fuller informed the committee there will be two sets of Minutes for action tomorrow.

Chairman Fuller stated the committee today will continue the public hearings on the package of bills concerning grain warehousing.

Dee Likes appeared for the Kansas Livestock Association expressing appreciation to have the opportunity to appear before the committee. He said there are shortcomings that should be recognized. He felt an audit is simply a picture of the elevator's status at that time and can change dramatically in just a short time. He felt it was not possible to legislate away risk. He did agree with the general provisions of the five bills and supports SB 4 which has passed the House and is the one that could be the most important.

Nancy Kantola appeared for the Kansas Co-op Council and said there is a great deal of interest in the five bills. She mentioned that the financial problems are sometimes caused by poor economic conditions, poor management and dishonesty. She supports SB 1, 2, 3 and 5 as written and could support amendments offered yesterday. She also supports strengthening SB 6. She distributed a proposed amendment to committee which is Attachment No. 1.

T. C. Anderson appeared for the Kansas Society of Certified Public Accountants. He submitted a balloon amendment to SB 1. See Attachment No. 2. He distributed "Financial requirements" and "General statement and administration" from the Federal Register, Attachment No. 3. An audit is expensive so the federal government allows one step lower in allowing a review. He compared compilation to the audit and said a compilation offers little if any safeguard. An audit would state what the finances are. He felt another important word to public financial statement is "independent". That would give independent judgment of the financial status.

Charles Clinkenbeard attending the meeting with Mr. Anderson answered some of the questions regarding a review and audit. He gave examples of what an audit would cost and it was brought out that the capacity of a warehouse did not alone determine the cost of the audit, but rather the number of functions and locations with

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND LIVESTOCK

room 423-S, Statehouse, at 9:00 a.m./~~p.m.~~ on March 23, 1983.

a particular company. Mr. Clinkenbeard recommended the audit or review, but stated audits are best.

Tom Tunnell appeared for the Kansas Grain and Feed Dealers Association with prepared testimony, Attachment No. 4. He referred to a letter from the Commodity Operations Division of the Department of Agriculture, and a 17-page report prepared by the Benson-Quinn Company, which are on file in the Legislative Research Department. He supports SB's 1, 2, 3, 5 and 6, and also the amendment previously proposed by the Co-op Council.

Marvin Webb, Director of the State Grain Inspection Department was recognized. He distributed a prepared statement, Attachment No. 5.

Rep. Max Moomaw was recognized to speak on SB's 1, 2, 3, 5 and 6. He supports the bills and felt they will help the problem of elevator bankruptcies. He suggested three or four names should be submitted for the State Grain Advisory Board from which the selection of a director would be made. He felt that in SB 1, Lines 68 through 70, clarification needs to be made in regard to net worth, and look into the stricken language speaking to exemptions and liabilities.

John Crofoot representing the Kansas Grain and Feed Dealers Association appeared. He said accounting firms bid for the jobs so he felt they might be considered employees. He mentioned an amendment passed out by a previous conferee that is trying to find a method to protect the farmer, but did not believe in making regulations that would result in great additional expenses. He would like to keep the compilation as in federal regulations for CCC.

Chairman Fuller instructed the committee that tomorrow the committee will work the bills just heard, and if there are any amendments, to have them ready. There will be a meeting on Monday to consider requests for interim studies.

The meeting was adjourned at 9:55 a.m.

The next meeting will be at 9:00 a.m. on Thursday, March 24, 1983 in Room 423-S.

GUEST REGISTER

DATE March 23, 1983

HOUSE OF REPRESENTATIVES
COMMITTEE ON AGRICULTURE AND LIVESTOCK

NAME

ORGANIZATION

ADDRESS

<u>NAME</u>	<u>ORGANIZATION</u>	<u>ADDRESS</u>
Daphne Vogt		Ellinwood, Ks
Cheryl Salem		Ellinwood, Ks.
Gary M. Bothwell	KSGID	Topeka, Ks.
Sam Reda	KSGID	- -
Har Johnson	LPAE	Topeka
Jan Yach	Ks. Society of CPAs	Topeka
Michael Frank	AIA	Topeka
Jancy Kantola	Kansas Co. op Council	Topeka
Herald Kelly	K.A.W.C.	Dighton, Ks
Lee Tribes	KIA	Topeka
Tom R. Sumner	KGFDA	Hutchinson
John Blythe	KGFDA	Merion
Deanna Sullen		Miltonvale
Warren R. Webb	KSGID	Topeka
Charles Chamberland	Kansas Society of CPAs	"
T. O. Anderson	KSCPA	Topeka
Becky Crossman	Comm of Ks Farm Buro	"
John Blythe	Ks Farm Bureau	Manhattan
Pat M. Singson	Publ. Accountants Assn of Ks.	Topeka
Dale W. Busby		Concordia Ks

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1982 Supp. 75-1701 is hereby amended to read as follows: 75-1701. The governor shall appoint a suitable person ~~who has had at least one year of experience in the grain business~~ *with working knowledge and experience in the grain industry, including an understanding of commodity futures trading techniques; ability to supervise analysis of financial statements required for licensure; and experience, training and ability to administer and supervise the Grain Inspection Department* to be the director of the Kansas state grain inspection department. ~~The director shall appoint a suitable person who is qualified to direct the work of the grain inspectors to be the first assistant inspector.~~

0044 including but not limited to a current balance sheet, statement of
 0045 income (profit and loss), statement of retained earnings and
 0046 statement of changes in financial position. The applicant shall
 0047 certify under oath that the statement as prepared accurately
 0048 reflects the financial condition of the applicant as of the date
 0049 specified and fairly represents the results of operations of the
 0050 applicant's public warehouse business for the period specified.
 0051 The financial statement shall be accompanied by: (1) A report of
 0052 audit or review conducted by an independent certified public
 0053 accountant or an independent public accountant in accordance
 0054 with standards established by the American institute of certified
 0055 public accountants and the accountant's certifications, assur-
 0056 ances, opinions, comments and notes with respect to the state-
 0057 ment. ~~or (2) a compilation report of the financial statement,~~
 0058 ~~prepared by a grain commission firm or management firm which~~
 0059 ~~is authorized pursuant to rules and regulations of the federal~~
 0060 ~~commodity credit corporation to provide compilation reports of~~
 0061 ~~financial statements of warehousemen.~~

Proposed amendment to Senate Bill 1.

0062 The director, upon request of an applicant, may grant a waiver
 0063 of the requirements of this subsection for a period of not more
 0064 than 180 90 days if the applicant furnishes evidence of good and
 0065 substantial reasons for the waiver.

0066 (c)(1) Every applicant for a license to operate one or more
 0067 public warehouses and every person licensed to operate one or
 0068 more warehouses shall at all times maintain, ~~in excess of all~~
 0069 ~~exemptions and liabilities, total net assets total net worth~~ liable
 0070 for the payment of any indebtedness arising from the conduct of
 0071 the warehouse or warehouses equal to at least \$.20 per bushel of
 0072 the storage capacity of the warehouse or warehouses except: (A)
 0073 No person shall be granted a license or shall continue to be
 0074 licensed unless the person has a net worth of at least \$25,000 and
 0075 (B) any deficiency in net worth required above the \$25,000 min-
 0076 imum may be supplied by an increase in the amount of the
 0077 applicant's or licensee's bond as provided by K.S.A. 34-229 and
 0078 amendments thereto.

0079 (2) In determining total net worth: (A) Credit may be given for
 0080 insurable property such as buildings, machinery, equipment and

DEPARTMENT OF AGRICULTURE
Federally Licensed Warehouses

Financial requirements

(1)(a) Each warehouseman conducting a warehouse licensed, or for which application for a license has been made under the regulations in this part, shall maintain complete, accurate and current financial records.

(b) Each warehouseman conducting a warehouse for which application for license is made shall provide with this application and each warehouseman licensed under these regulations annually, or more frequently if required, shall furnish to the Secretary financial statements from the records required in paragraph (a) of this section prepared according to generally accepted accounting principles. Such statements shall include but not be limited to (1) balance sheet, (2) statement of income (profit and loss), (3) statement of retained earnings, and (4) statement of changes in financial position: The chief executive officer for the warehouseman shall certify under penalties of perjury that the statements as prepared accurately reflect the financial condition of the warehouseman as of the date named and fairly represent the results of operations for the period named.

(c) Each warehouseman conducting a warehouse licensed under these regulations shall have the financial statements required in paragraph (b) audited by an independent certified public accountant. Alternatively, financial statements audited or reviewed by an independent public accountant will be accepted with the understanding that the warehouseman will be subject to an additional on-site examination by the Secretary and to an audit by the Secretary. Audits and reviews by independent certified public accountants and independent public accountants specified in this section shall be made in accordance with standards established by the American Institute of Certified Public Accountants. The accountant's certification, assurances, opinion, comments, and notes on

DEPARTMENT OF AGRICULTURE
Standards For Approval of Warehouses (CCC)

General statement and administration

(1) A current financial statement prepared in accordance with generally accepted accounting principles meeting the following requirements:

(i) Each financial statement shall include, but not be limited to the following: (A) A balance sheet; (B) a statement of income (profit and loss); (C) statement of retained earnings; and (D) a statement of changes in the financial position.

(ii) Each financial statement shall be accompanied by one of the following:

(A) A report of audit or review conducted by an independent CPA or an independent public accountant in accordance with standards established by the American Institute of Certified Public Accountants. The accountant's report of audit or review shall include the accountant's certifications, assurances, opinions, comments, and notes with respect to such financial statement, or (B) A compilation report of the financial statement which is prepared by a grain commission firm or a management firm if such firm has been authorized by the Deputy Vice President, CCC (Deputy Administrator, Commodity Operations ASCS) to provide a compilation report of financial statements of warehousemen.

(iii) All financial statements shall be accompanied by a certification by the chief executive officer of the warehouseman, under penalty of perjury, that the financial statement(s) accurately reflects the financial condition of the warehouseman for the period specified in such statement.

(iv) A current Form TW-51, "Financial Statement," containing organizational and general information with the warehouseman's certification shall be submitted with the scheduled financial statements or as the Agricultural Marketing Service (AMS) or CCC may request.

(v) Only one financial statement will be required for a chain of warehouses owned or operated as a single business entity, unless otherwise determined by CCC.

Attch. 3

Attachment No. 3
3-23-83
Hs. Av. Corn

(Financial requirements cont'd)

such statements, if any, shall be furnished along with the statements. Licensees who cannot immediately meet these requirements may apply to the Secretary for a temporary waiver of this provision. The Secretary may grant such waiver for a temporary period not to exceed 180 days if the licensee can furnish evidence of good and substantial reasons therefor.

(2) The limitation of an audit using certified public accountants exclusively has been revised. Several comments recommended that statements reviewed or audited by independent public accountants which include Certified Public Accountants would provide the Department with sufficient financial information to satisfy its needs. The difference would be in the amount of verification rather than information furnished. The use of Certified Public Accountants could be overly restrictive adding to the cost and perhaps the immediate ability of warehousemen to comply. Statements may now be "reviewed" or "audited" by an independent public accountant, as well as a audit by a Certified Public Accountant, if the warehouseman subjects himself to an additional on-site examination by the Secretary and to an audit by the Secretary. This has the potential for reducing costs to the warehouseman. To ease the effect of the regulation on licensees who may not be able to rearrange their accounting commitments in time to make the July 1 effective date, the Secretary will be authorized to grant temporary waivers for good and sufficient reason. This also will benefit applicants for license who cannot meet the requirements at time of application or licensing.

The requirement for specified statements will enable the Agricultural Marketing Service analysts to make additional tests and provide ratios of value in determining a warehouseman's financial strength as well as to determine net asset position. This periodic review or audit of a warehouseman's financial position and condition by an independent public accountant will supplement the Department's examination program, together enhancing the value of warehouse receipts and assuring depositors of increased safety in dealing with warehousemen licensed under the Act.

(General statement and administration con'd)

(2) Some of the reasons given by CCC for accepting reviews and compilations in addition to audits included

(A) The added overhead of CPA audits costs would be eventually charged to the producers and CCC.

(B) Some warehousemen may not renew their Uniform Grain Storage Agreement if they are required to furnish a CPA audited financial statement.

(C) CPA Audits could cause significantly less participation in the USGA program, thus resulting in less available storage space, less competition among warehouses, and higher storage rates to the government.

(D) It would be inconvenient for farmers if warehousemen cancel their USGA, thus forcing farmers to transport their grain which is serving as collateral for a regular or grain reserve loan to distant locations for storage.

TESTIMONY

of

KANSAS GRAIN AND FEED DEALERS ASSOCIATION

on

SENATE BILLS

1, 2, 3, 5 & 6

Submitted by:

Tom R. Tunnell
March 23, 1983

Atch. 4

I am Tom R. Tunnell, Executive Vice President of Kansas Grain and Feed Dealers Association, Hutchinson, Kansas. Our Association is a voluntary organization that has as members approximately 95% of all grain and feed firms doing business in Kansas. Our membership includes both private and cooperative owned country and terminal grain operations with a total licensed storage capacity of approximately 750,000,000 bushels.

The Kansas Grain and Feed Dealers Association supports in concept Senate Bills 1, 2, 3, 5 and 6. It is our position that these bills address most major areas of concern and offer a reasonable cost effective approach to providing added protection to Kansas producers that store grain in state licensed elevators.

As you are all aware, Senate Bills 1, 2, 3, 5 and 6 are the product of extensive hearings conducted this past Summer and Fall by the Special Interim Agriculture Committee. In addition to these Bills, the Special Committee also considered other ideas such as an indemnity fund, higher warehouse bond requirements, special insurance fund, unqualified audits and so on. However, none of these alternatives were recommended by the Interim Committee because of their awareness that additional costs to the warehouseman brought on by new unnecessary laws and regulations would eventually be borne by the Kansas farmer.

It is the opinion of our Association, too, that additional changes to the Kansas Warehouse Law other than those proposed in the bills presently before this Committee, may result in costly regulatory overkill.

Senate Bill 1

All changes proposed in this bill are acceptable as drafted. However, I caution this Committee against any deviation from the current

Commodity Credit Corporation audit requirement language contained in Section 1 (b) of this bill.

There are those that maintain a compilation report of the financial statement prepared by a grain commission firm or management firm (reference Section 1 (b) (2)) is inferior to a review by an independent or certified public accountant and consequently should not be acceptable as a warehouse licensing requirement in Kansas. Our Association disagrees with this position for the following reasons:

GRAIN COMMISSION FIRMS

1. Even though there are currently no commission firms in operation in Kansas, grain commission companies and their country services departments have provided stability to elevators in Minnesota, North and South Dakota for over fifty years.
2. Services provided country elevators by grain commission firms includes grain merchandising support, seasonal financing of grain and supply purchases, help in dealing with Commodity Credit Corporation, assistance to directors in obtaining qualified management, providing director and management seminars in marketing, management and records keeping, and services of an accounting staff specializing in grain elevator accounting.
3. The establishment of grain commission firms in Kansas of the type described would be very beneficial to Kansas warehousemen by making available grain elevator accounting expertise as well as other needed services at competitive prices.

Earlier, copies were handed out of an example of a commission firm financial report. If you will take a moment to review the information

provided by the Benson-Quinn Company commission firm, you will note it is very complete and professional. Surely, information of this type, were it available in Kansas, would be adequate for the Kansas Grain Inspection Department to determine the status of an elevator's financial stability.

MANAGEMENT FIRMS

1. Only management firms approved by Commodity Credit Corporation may qualify for the compilation option. (Only two Kansas firms have thus far been approved).
2. The management firms approved in Kansas are large well, financed operations and have capable accounting departments adequate to assure grain depositor protection.

In addition, I handed out a copy of a letter from Commodity Credit Corporation which defines the parameters used by CCC in approving a management or commission firm. As you will see on review of these requirements, only a very few grain firms would be able to qualify.

Again, our Association strongly supports retention of the financial reporting requirements currently contained in Senate Bill 1 and feel that any deviation from these requirements would in no way benefit the Kansas grain producer.

Senate Bill 2

The annual notification of depositors requirement called for in this bill will benefit Kansas producers and warehousemen alike and compliance would present no problem for our members.

Senate Bill 3

The maintenance of stored commodities in a defunct grain elevator

is extremely important. We support any effort to expedite the appointment of a person to be responsible for that maintenance. Six months to settle and complete receivership seems excessive, ninety days should be adequate.

Senate Bill 5

We support making the Attorney General responsible for prosecuting violators of the Kansas Warehouse Law.

Senate Bill 6

Changing the term of office for Director of Kansas Grain Inspection Department from two years to at the pleasure of the Governor helps add continuity to the office. Our Association would oppose putting the KSGID under control of Kansas Board of Agriculture.

I appreciate the opportunity to be here today to testify on these important issues and would be happy to respond to questions.

#

THE STATE OF KANSAS



JOHN CARLIN
GOVERNOR
MARVIN R. WEBB
DIRECTOR

GRAIN INSPECTION DEPARTMENT
GENERAL OFFICE
535 KANSAS AVE., TOPEKA, KANSAS 66603

INSPECTION POINTS
ATCHISON KANSAS CITY
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TESTIMONY OF
MARVIN R. WEBB
BEFORE

HOUSE AGRICULTURE & LIVESTOCK COMMITTEE

ROOM 423-S, CAPITOL BUILDING

TOPEKA, KANSAS

ON

MARCH 23, 1983

REPRESENTATIVE FULLER AND MEMBERS OF THE COMMITTEE:

I AM MARVIN R. WEBB, DIRECTOR OF THE KANSAS STATE GRAIN INSPECTION DEPARTMENT.
I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE THIS COMMITTEE.

YOU HAVE BEEN BRIEFED ON THE CONTENTS OF SENATE BILLS 1, 2, 3, 4, 5 AND 6,
SO I WILL NOT GO INTO FURTHER DETAIL AS TO WHAT IS CONTAINED IN EACH.

SB 1... WE HAVE HEARD CONSIDERABLE TESTIMONY ON SENATE BILL NO. 1
AND SUGGESTED AMENDMENTS. I WOULD LIKE TO RESPECTFULLY ASK
THIS COMMITTEE TO CONSIDER LEAVING LINES 57 THROUGH 61 AS THEY

Atch. 5

THEY ARE BECAUSE THEY ARE PART OF THE FINANCIAL REQUIREMENTS THAT THE COMMODITY CREDIT CORPORATION APPROVED FOR THOSE THAT HAVE THE UNIFORM GRAIN STORAGE AGREEMENTS. I BELIEVE ALL OF YOU ARE AWARE THAT THE GRAIN INSPECTION DEPARTMENT HAS A CO-OPERATIVE AGREEMENT WITH A M S (AGRICULTURE MARKETING SERVICE) WHICH IS AN ARM OF COMMODITY CREDIT CORPORATION. WE WOULD ALSO MENTION THAT WE HAVE TWO MANAGEMENT GRAIN FIRMS IN KANSAS THAT MEET THE APPROVAL OF C C C AND WE HAVE FOUND THEM TO BE COMPETENT AND COOPERATIVE. THEY AUDIT THOSE FIRMS THEY HAVE A MANAGEMENT CONTRACT WITH APPROXIMATELY FOUR TIMES A YEAR.

SB 2... WE ENDORSE THE INTENT OF THIS MEASURE, BUT FEEL THAT, IN ORDER TO ESTABLISH A TIME FRAME FOR NOTIFICATION OF DEPOSITORS, IT SHOULD BE SPECIFIED THAT DEPOSITORS BE NOTIFIED ANNUALLY AND WITHIN 30 DAYS AFTER RECEIPT OF THE AUDIT REPORT BY THE WAREHOUSEMAN.

SB 3... WE FEEL THIS IS A STEP IN THE RIGHT DIRECTION IN THAT IT GIVES THE GRAIN INSPECTION DEPARTMENT THE AUTHORITY AND THE RESPONSIBILITY TO TAKE IMMEDIATE CHARGE OF AN ELEVATOR THAT HAS BECOME UNABLE TO MEET THEIR OBLIGATIONS.

SB 5... WE ENDORSE THIS ACTION TO DEFINE THE RESPONSIBILITIES, AS SOME COUNTY ATTORNEYS ARE HESITANT TO ACT QUICKLY AND DECISIVELY IN AN ELEVATOR SHORTAGE SITUATION.

SB 6... WE FEEL THAT THIS WOULD BE A DEFINITE IMPROVEMENT IN THAT
THE DIRECTOR WOULD SERVE CONCURRENTLY WITH THE GOVERNOR.

I WOULD LIKE TO CLOSE BY EXPRESSING OUR APPRECIATION TO THE INTERIM COMMITTEE,
THE SENATE AGRICULTURE COMMITTEE AND THIS COMMITTEE, AS WELL AS ALL OF THOSE
WHO HAVE HAD A PART IN MAKING RECOMMENDATIONS. I PARTICULARLY WANT TO RE-
COGNIZE THE SUPPORT WE HAVE HAD FROM THE KANSAS GRAIN DEALERS ASSOCIATION
AND THE COOP COUNCIL AND ALL OF THE MANY FARM ORGANIZATIONS AND INDIVIDUALS.

THESE BILLS ARE THE CULMINATION OF MUCH WORK OVER THE PAST 18 MONTHS AND HAVE
FOLLOWED ALONG THE LINES OF OUR RECOMMENDATIONS VERY WELL.

LASTLY, I WANT TO REPORT THAT WE HAVE VOLUNTARILY REDUCED OUR ^{STAFF}~~BUDGET~~ BY 23%.
NOW, WITH THE SIGNUP JUST ANNOUNCED IN THE P I K PROGRAM, WE MAY BE FACED WITH
FURTHER REDUCTIONS WE SIMPLY CANNOT ESTIMATE AT THIS TIME.

Kansas State Grain Inspection Department

<u>CAPACITY IN BUSHELS</u>	<u>STATE LICENSE FEE</u>	<u>STATE BOND</u>
1 to 100,000	\$ 250.00	\$ 60,000
100,001 to 150,000	275.00	90,000
150,001 to 250,000	300.00	150,000
250,001 to 300,000	325.00	180,000
300,001 to 350,000	350.00	200,700
350,001 to 400,000	375.00	202,700
400,001 to 450,000	400.00	204,700
450,001 to 500,000	425.00	206,700
500,001 to 600,000	450.00	210,700
600,001 to 700,000	475.00	214,700
700,001 to 800,000	500.00	218,700
800,001 to 900,000	525.00	222,700
900,001 to 1,000,000	550.00	226,700
1,000,001 to 1,750,000	725.00	256,700
1,750,001 to 2,500,000	850.00	286,700
2,500,001 to 5,000,000	1,100.00	386,700
5,000,001 to 7,500,000	1,350.00	486,700
7,500,001 to 10,000,000	1,550.00	586,700
10,000,001 to 12,500,000	1,700.00	686,700
12,500,001 to 15,000,000	1,850.00	786,700
15,000,001 to 17,500,000	2,000.00	886,700
17,500,001 to 20,000,000	2,150.00	986,700

Over 20,000,000 bushels add \$150.00 for each 2,500,000 bushels or fraction thereof.

Enclosed Bond
Formula for Kansas

* (No Maximum)

Federal -- U.S. Warehouse Act

<u>CAPACITY</u>	<u>LICENSE</u>	<u>BOND</u>
1 - 150,000	\$ 250.00	\$ 30,000
151,000 - 250,000	350.00	50,000
251,000 - 500,000	450.00	100,000
501,000 - 750,000	550.00	150,000
751,000 - 1,000,000	650.00	200,000
1,001,000 - 1,200,000	750.00	230,000
1,201,000 - 1,500,000	850.00	275,000
1,501,000 - 2,000,000	950.00	350,000
2,001,000 - 2,500,000	1,050.00	400,000
2,501,000 - 5,000,000	1,150.00	500,000
5,001,000 - Over	1,250.00 (Max.)	500,000 (Max.)

* Bond Amount Computed as follows:
.20¢ - 1st Million
.15¢ - 2nd Million
.10¢ - over above
with maximum of
\$500,000