



Ohio Revised Code

Section 926.24 Delivering agricultural commodity upon demand.

Effective: June 29, 2011

Legislation: House Bill 9 - 129th General Assembly

(A) A licensed handler, in the absence of any excuse permitted in this chapter, shall deliver an agricultural commodity upon a demand made by the holder of a receipt for the commodity or by its depositor if the demand is accompanied with:

(1) An offer to satisfy any lien arising under section 1307.209 of the Revised Code; and

(2) An offer to surrender the receipt with the necessary endorsement.

(B) The licensed handler is justified in delivering the agricultural commodity, subject to divisions (C), (D), and (E) of this section, to:

(1) The person who is lawfully entitled to the possession of the commodity or the person's agent;

(2) The person who is entitled to the delivery by the terms of a nonnegotiable receipt issued for the commodity or who has written authority from a person so entitled, either endorsed on the receipt or written on another paper;

(3) A person in possession of a negotiable receipt by the terms of which the commodity is deliverable to the person possessing the receipt, or order or bearer, or that has been endorsed to the person possessing the receipt, or in blank, by the person to whom delivery was promised by the terms of the receipt or by the immediate or remote endorsee of the person to whom delivery was so promised.

Upon delivery of an agricultural commodity from storage upon presentation of any receipt issued by the licensed handler, the receipt shall be surrendered to the handler, be plainly marked across its face "CANCELED" together with the date and name of the person canceling it, and be void and not put back into circulation. No commodity shall be delivered twice upon the same receipt.



(C) If the licensed handler delivers the agricultural commodity to a person who is not in fact lawfully entitled to the possession of the commodity or the person's agent, the handler is liable as for a conversion to all persons that have a right of property or possession in the commodity if:

(1) The handler delivered the commodity otherwise than as authorized by divisions (B)(2) and (3) of this section;

(2) The handler delivered the commodity as authorized by those divisions, but prior to delivery the handler had either been requested by or on behalf of the person whom the handler knew to be lawfully entitled to a right of property or possession in the commodity not to make delivery or had information that the delivery would be made to a person not lawfully entitled to possession of the commodity.

(D) Except as provided in section 926.26 of the Revised Code, when a licensed handler delivers an agricultural commodity for which the handler has issued a negotiable receipt, the negotiation of which would transfer the right to possession of the commodity, and fails to cancel the receipt, the handler is liable to anyone who purchases for value in good faith the receipt for failure to deliver the commodity to the person, whether the person acquired title to the receipt before or after the delivery of the commodity by the handler. No provision shall be inserted in a negotiable receipt that is intended to make it nonnegotiable. The provision, if inserted, shall be void.

(E) If a person other than the depositor or person claiming under the depositor asserts a claim or title to the agricultural commodity and the licensed handler has information of the claim, the handler shall be excused from liability for refusing to deliver the commodity to the depositor, to the person claiming under the depositor, or to the adverse claimant until the handler has had reasonable time to ascertain the validity of the adverse claim or to bring legal proceedings compelling all claimants to arrive at a settlement.