

such publication or of any article published therein either in a criminal action for libel by reason of such publication or in any civil action based thereon.

Sec. 6. Definition.—By the term “newspaper” as expressed herein, shall be included any newspaper, circular or any other publication whether issued regularly or intermittently by the same parties or by parties, one of whom has been associated with one or more publication of such newspaper or circular, whether the name of the publication be the same or different.

Sec. 7. This act shall be in force from and after its passage.

Approved April 21, 1931.

CHAPTER 294—H. F. No. 241

An act to provide for the storage of grain upon farms, and regulating such storage for the purpose of procuring loans upon such grain and making provision for the issuance of negotiable warehouse certificates upon such grain; and to aid in the orderly marketing of said grain, and authorizing the railroad and warehouse commission to make rules and regulations deemed necessary to carry out the provisions of this act which is hereby made the duty of such commission, and prescribing penalties for the violation of this act.

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

Section 1. Object and purpose of act.—The purpose of this act shall be to provide the owner of grain in this state with means of warehousing same on the farms, under proper restrictions and safeguards, as a basis for credit and to aid in the orderly marketing thereof.

Sec. 2. Supervision by Railroad and Warehouse Commission.—The Railroad and Warehouse Commission (hereinafter referred to as “the Commission”) is hereby authorized and it is hereby declared to be its duty to carry out the provisions of this act and to that

end it is hereby given full authority to prescribe such rules and regulations as may be deemed necessary for carrying out the provisions thereof.

Sec. 3. Grain Inspection.—Whenever ten or more farmers operating farm lands tributary to any market center, or any less number of farmers having at least 5,000 bushels of grain for storage, shall apply to the Commission in writing to have their grain inspected for the purpose of securing a warehouse certificate thereon, the Commission shall cause such grain to be inspected as soon as practicable. Provided, however, that the Commission may at its discretion, inspect the grain of any applicant making application for farm grain storage hereunder. Such applicant shall designate where such grain is kept, the kind of structure in which it is stored, the incumbrance, if any, upon such grain, and shall state the name of all persons interested therein, and shall be signed and sworn to by the applicant. Whenever any grain is owned by more than one owner, said application shall be signed by all having any interest therein. In case the grain is mortgaged the application shall be signed by the owner and the mortgagee or his agent, duly authorized in writing, and any certificate issued for grain owned by more than one person or which is incumbered shall be issued in the names of such persons, including the mortgagee. Such application may direct the Commission to issue and deliver the certificate to be issued in conformity with such application to the applicant or any other person, firm or corporation, which delivery shall constitute a full and complete assignment thereof to the same effect as if personally endorsed and delivered by the applicant.

Sec. 4. Fees for inspection.—Each applicant shall remit with such application, a minimum of \$5.00, and if the quantity of grain to be inspected exceeds 1000 bushels, one-half cent per bushel for the number of bushels sought to be inspected, payable to the Minnesota Railroad and Warehouse Commission, which fee shall be credited to the general grain inspection fund.

Sec. 5. Warehouses to be sealed.—When application shall be made for inspection under the provisions of this act, the Railroad and Warehouse Commission shall designate a qualified sampler to inspect the bin and structure in which the same is to be stored, to determine the availability for the warehousing of the grain, and to procure a fair average sample of such grain by the use of a standard grain probe, and thereafter to seal the bin or granary with a ball type seal bearing the name of Minnesota Rail-

road and Warehouse Commission and the seal number and the year of such sealing, and putting upon the structure or bin so sealed a notice containing a printed copy of the penalty prescribed for entering sealed bins or structure or removing such grain or any part thereof, by any person who is not the holder of the receipt or under the direction of the Railroad and Warehouse Commission. The person making such inspection and obtaining such sample shall at once forward the sample to the State Grain Inspection Department in Minneapolis, sending at the same time his report on the quantity of such grain in the bin or structure in which the same is contained.

Sec. 6. Warehouse receipts may be issued.—Upon receipt of such sample the State Grain Inspection Department of Minneapolis shall inspect the grain and determine the grade thereof, and shall issue warehouse certificate therefore, and every such certificate must embody within its written or printed terms:

- (a) The consecutive number of the certificate.
- (b) The date of issue of the certificate.
- (c) A description of the granary, bin, or structure in which the grain is stored, and the premises upon which it is located.
- (d) A description of the grain giving its grade, kind, variety, dockage, test weight and moisture content, and the number of bushels of such grain based on cubic measurement and not by weight.
- (e) The name of the owner, or owners, whether ownership is sole, joint or in trust, and the conditions of such ownership, as shown in the application.
- (f) A statement of any and all liens or incumbrances upon said grain as reported by the owner in his application.
- (g) A statement whether the grain will be delivered to the bearer, to a specified person, or a specified person or his order, and at what place it will be delivered.
- (h) A statement as to whether any other certificate has been issued covering any grain in the same granary, bin or structure, and the amount of such certificate.
- (i) Any other matter or information required by the rules and regulations promulgated under this act, and deliver such certificate to the parties entitled thereto as heretofore provided.

Sec. 7. **Certificates to be in triplicate.**—All such warehouse certificates issued under the provisions of this act shall be in triplicate, the original to be printed upon white paper, and the duplicate copies to be printed upon tinted paper, the original and one copy to be delivered to the parties entitled thereto as hereinbefore provided, and one of the duplicate copies to be retained by the inspection department. Both copies of the certificate shall have plainly printed or stamped upon the face thereof "Duplicate Certificate No value". If a loan is made upon such grain the parties interested may file with the Register of Deeds of the county in which such grain is stored the copy of the certificate held by the owner, and upon payment of a filing fee of thirty-five cents such copy shall be indexed as a chattel mortgage upon the grain described in the certificate, is pledged to the redemption of the loan.

Any assignment of such receipt may also be filed and properly endorsed upon the receipt, and when filed shall have the same force as the filing of any assignment of chattel mortgage. Any owner or owners of grain stored under the provisions of this act, where the certificate has not been pledged or negotiated, may procure the release of such grain from storage thereunder by delivering the original warehouse certificate to the State Grain Inspection Department at Minneapolis, which shall, upon the receipt thereof, cancel the same by perforating it with the words "Surrendered and Cancelled" and shall notify such original holder or holders of such cancellation, and the receipt of such notice of cancellation by such owner or owners shall be authority to such owner or owners to break the seal and retake possession of the grain in such certificate described. Upon delivery by the owner or owners, to the warehouse certificate holder, of the grain pledged thereby, or upon payment of the obligation for which such certificate has been pledged, the warehouse certificate holder shall be required to cancel and redeliver such certificate to the owner of such grain, such cancellation to be so made by endorsing thereon in ink the words "Cancelled and Delivered to the Owner of the Grain", together with the signature of such warehouse certificate holder.

Such owner of grain may upon cancellation of such warehouse certificate, forward the same to the State Grain Inspection Department for the purpose of having it cancelled in its office and discharged of record, and the said Inspection Department shall notify the Register of Deeds of the county in which the duplicate

certificate is filed to discharge any cancelled certificate of record; and such Register of Deeds is hereby required to cancel the same, without charge, upon such notice from the Commission. All original warehouse receipts so cancelled as above by the Inspection Department shall be retained in the files in its office and a permanent record of such certificates so cancelled shall be kept; such record to show the name of the person or persons to whom the certificate was issued, the number of the certificate, the date of cancellation and when the cancelled certificate was surrendered as paid and the name of the person surrendering the same.

Sec. 8. Owner to deliver grain on demand.—The owner of grain stored under the provisions of this act shall be charged with the due care of said grain and shall exercise that degree of due care and diligence, which any ordinary prudent person would exercise with regard to similar property of his own. The owner shall also, upon demand of the holder of such certificate, deliver said grain to his usual market place without charge to the holder. No legal demand for the delivery of said grain shall be made, however, upon said owner until the maturity of the obligation for which said certificate is pledged, or until the security shall become impaired. In case of the maturity of the obligation for which said certificate was pledged or in case of the impairment of such security, and the refusal of said owner to deliver such grain as above provided, then the holder of the certificate shall be entitled to take immediate possession of the grain so pledged, and to sell the same at the market price thereof, and to retain from the proceeds of such sale all expenses of the removal and transporting of such grain to market.

Sec. 9. Records not open to public.—The said Inspection Department shall not allow the inspection by the general public of its records as to the amount, kind, quality or variety of grain stored, but said records shall be open to the holder of any certificate as to the portion thereof relating to the grain covered by such certificate.

Sec. 10. Warehouseman's bond may be filed.—The locking up and sealing of any storage facility acceptable to the Commission is hereby waived, if and when the applicant shall have filed a warehouseman's bond as a guarantee to the carrying out of the provisions of this Act. Any such bond may be accepted by the

Commission in lieu of the locking and sealing of stored grain, under the rules and regulations promulgated hereunder with reference thereto.

Sec. 11. Owner to be responsible for grade.—The owner or owners of grain stored hereunder shall be responsible for the quality of the grain being equal to that stated in the certificate. Provided, however, that when such grain is marketed it shall be sold according to its then actual grade. Whenever the amount certified to shall have been determined by cubic measurement, said amount shall be deemed prima facie evidence of the amount of said grain, but the actual amount shall be determined by the actual weight thereof when marketed, and the owner shall be responsible and liable to the holder of the certificate for the delivery of the amount of grain indicated in said certificate, by actual weight thereof.

Sec. 12. Penalties for breaking seal.—Any person who shall without order or direction of the Commission break the seal of any bin or structure wherein grain is stored under the provisions of this act, or who shall break or enter the structure or bin wherein such grain is so stored except for actual delivery of such stored grain to the holder of a pledged certificate, or who shall damage, remove, or destroy any grain stored and sealed under the provisions of this act, shall be guilty of a felony and upon conviction therefor shall be punished by imprisonment in the county jail for not less than one year, or in the state prison for not less than one nor more than three years; or by a fine of not less than \$300.00 nor more than \$1,000.00 or both such fine and imprisonment.

Sec. 13. Penalties for false statements.—Any person who shall, in order to procure any warehouse certificate hereunder, make any statement of material fact knowing such statement to be false, shall be guilty of a gross misdemeanor, and shall, upon conviction thereof, be punished by imprisonment in the county jail for not less than six months nor more than one year, or by a fine of not less than \$200.00 nor more than \$500.00 or both such fine and imprisonment.

Sec. 14. Provisions separable.—If any provision or part of this act be held unconstitutional it shall not invalidate or in any way affect any other provision or part thereof.

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