

St. Louis county may provide funds and facilities for more than one historical society of which shall be subject to the provisions of Minnesota Statutes, Sections 138.051, 138.052, and 138.053 and other laws governing the conduct of county historical societies.

**Sec. 30. EFFECTIVE DATE.**

Sections 1 to 7, 23, 24, and 28 are effective the day following final enactment. Sections 22, 25, and 26 are effective January 1, 1983. Section 29 is effective the day after compliance with section 645.021, subdivision 3 by the St. Louis county board.

Approved March 22, 1982

**CHAPTER 508 — S.F.No. 1962**

*An act relating to agriculture; providing for the regulation of grain storage warehouse operators; changing certain fee provisions; providing penalties; appropriating money; amending Minnesota Statutes 1980, Section 236.02; Minnesota Statutes 1981 Supplement, Sections 231.16; and 233.08; proposing new law coded in Minnesota Statutes, Chapter 232; repealing Minnesota Statutes 1980, Sections 232.06, Subdivisions 2, 3, 4, 6 and 7; 232.07 to 232.19; Minnesota Statutes 1981 Supplement, Section 232.06, Subdivision 1.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [232.20] CITATION.

Sections 1 to 6 may be cited as the grain storage act.

Sec. 2. [232.21] DEFINITIONS.

Subdivision 1. APPLICABILITY. For the purpose of sections 1 to 6, the terms defined in this section have the meanings given them.

Subd. 2. BOND. "Bond" means an acceptable obligation, running to the state as obligee, for the purpose of indemnifying depositors and producers of grain against breach of contract by a public grain warehouse or grain bank operator.

Subd. 3. COMMISSIONER. "Commissioner" means the commissioner of agriculture.

Subd. 4. CONDITION ONE BOND. "Condition one bond" means a bond for a public grain warehouse operator when grain belonging to persons other than the warehouse operator is accepted for storage.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 5. CONDITION TWO BOND. "Condition two bond" means a bond for a public grain warehouse operator that purchases grain.

Subd. 6. DEPOSITOR. "Depositor" means a person who is the owner or legal holder of an outstanding grain warehouse receipt, grain bank receipt or open scale ticket marked for storage on which a receipt is to be issued, representing any grain stored in a public grain warehouse or grain bank.

Subd. 7. GRAIN. "Grain" means any cereal grain, course grain or oilseed in unprocessed form for which a standard has been established by the United States secretary of agriculture or the Minnesota board of grain standards.

Subd. 8. GRAIN WAREHOUSE. "Grain warehouse" means an elevator, flour, cereal or feed mill, malthouse or warehouse in which grain belonging to a person other than the grain warehouse operator is received for purchase or storage.

Subd. 9. GRAIN WAREHOUSE RECEIPT. "Grain warehouse receipt" means a formal record issued to a depositor by a grain warehouse operator under the provisions of section 4. A grain warehouse receipt is a negotiable instrument except as provided in section 4, subdivision 11.

Subd. 10. PERSON. "Person" means a corporation, company, joint stock company or association, partnership, firm or individual, including their agents, trustees, assignees or duly appointed receivers.

Subd. 11. PRODUCER. "Producer" means a person who owns or manages a grain producing or growing operation and holds or shares the responsibility for marketing that grain produced.

Subd. 12. PUBLIC GRAIN WAREHOUSE OPERATOR. "Public grain warehouse operator" means a person licensed to operate a grain warehouse in which grain belonging to persons other than the grain warehouse operator is accepted for storage or purchase, or who offers grain storage or grain warehouse facilities to the public for hire.

Subd. 13. SCALE TICKET. "Scale ticket" means a memorandum showing the weight, grade and kind of grain which is issued by a grain warehouse operator to a depositor at the time the grain is delivered.

### **Sec. 3. [232.22] LICENSES, BONDING CLAIMS, DISBURSEMENTS.**

Subdivision 1. LICENSES. An application for a public grain warehouse operator's license must be filed with the commissioner and the license issued before the purchase or storage of grain may be commenced. All grain warehouses located within the same home rule charter or statutory city or town and owned and operated by the same person may be covered by a single license.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. RENEWAL. A license must be renewed annually. If a business receives more than one license from the commissioner, the licenses shall be issued at the same time, but only after all conditions for each license are met. The licenses may be combined into one joint license.

Subd. 3. FEES; GRAIN BUYERS AND STORAGE FUND. There is created in the state treasury an account known as the grain buyers and storage fund. The commissioner shall set the fees for inspections, certifications and licenses under sections 1 to 6 at levels necessary to pay the costs of administering and enforcing sections 1 to 6. All money collected pursuant to sections 1 to 6 and chapters 231, 233 and 236 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage fund and is appropriated to the commissioner for the administration and enforcement of sections 1 to 6 and chapters 231, 233 and 236.

Subd. 4. BONDING. Before a license is issued, the applicant for a public grain warehouse operator's license shall file with the commissioner a bond in a penal sum prescribed by the commissioner. The penal sum on a condition one bond shall be established by rule by the commissioner pursuant to the requirements of chapter 15 for all grain outstanding on grain warehouse receipts. The penal sum on a condition two bond shall not be less than \$10,000 for each location up to a maximum of five locations. No condition two bond shall be required under this subdivision after June 30, 1983.

Subd. 5. STATEMENT OF GRAIN IN STORAGE; REPORTS. (a) All public grain warehouse operators must by the tenth day of each month file with the commissioner on forms approved by the commissioner a report showing the net liability of all grain outstanding on grain warehouse receipts as of the close of business on the last day of the preceding month. This report shall be used for the purpose of establishing the penal sum of the bond.

(b) If any public grain warehouse operator willfully neglects or refuses to file the report required in clause (a) for two consecutive months, the commissioner may immediately suspend the person's license and the licensee must surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 15 to determine if the license should be revoked. If no request is made within 15 days the commissioner shall revoke the license.

(c) Every public grain warehouse operator shall keep in a place of safety complete and accurate records and accounts relating to any grain warehouse operated. The records shall reflect each commodity received and shipped daily, the balance remaining in the grain warehouse at the close of each business day, a listing of all unissued grain warehouse receipts in the operator's possession, a record of all grain warehouse receipts issued which remain outstanding and a record of all grain warehouse receipts which have been returned for cancellation. Copies of grain warehouse receipts or other documents evidencing ownership of

grain by a depositor, or other liability of the grain warehouse operator, shall be retained as long as the liability exists but must be kept for a minimum of three years.

(d) Every public grain warehouse operator must maintain in the grain warehouse at all times grain of proper grade and sufficient quantity to meet delivery obligations on all outstanding grain warehouse receipts.

Subd. 6. BOND CLAIMS. A person claiming to be damaged by a breach of the conditions of a bond of a licensed public grain warehouse operator may file a written claim with the commissioner stating the facts constituting the claim. The claim must be filed with the commissioner within 180 days of the breach of the conditions of the bond. If the commissioner has reason to believe that a claim is valid, the commissioner may immediately suspend the license of the public grain warehouse operator and the licensee must surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 15 to determine whether the license should be revoked. If no request is made within 15 days the commissioner shall revoke the license.

Subd. 7. BOND DISBURSEMENT. (a) The condition one bond of a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the receipt.

(b) The condition two bond shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein. The bond shall not cover any transaction which constitutes a voluntary extension of credit. This clause expires July 1, 1983.

(c) Upon notification of default, the commissioner shall determine the validity of all claims and notify all parties having filed claims. Any aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment to those claimants entitled to payment. If the commissioner determines it is necessary, the commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(d) For the purpose of determining the amount of bond disbursement against all valid claims under a condition one bond, all grain owned or stored in the public grain warehouse shall be sold and the combined proceeds deposited in a special fund. Payment shall be made from the special fund satisfying the valid claims of grain warehouse receipt holders.

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(e) If a public grain warehouse operator has become liable to more than one depositor or producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the entire liability to all valid claimants, the proceeds of the bond and special fund shall be apportioned among the valid claimants on a pro rata basis.

(f) A bond is not cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

**Sec. 4. [232.23] DUTIES OF PUBLIC GRAIN WAREHOUSE OPERATOR.**

**Subdivision 1. DISCRIMINATION PROHIBITED.** A public grain warehouse operator must receive for storage, so far as the capacity of the grain warehouse will permit, all sound grain tendered in warehouseable condition without discrimination against any person tendering the grain.

**Subd. 2. SCALE TICKETS.** A public or private grain warehouse operator, upon receiving grain, shall issue a scale ticket for each load of grain received. Scale tickets shall contain the name, location and the date of each transaction and be consecutively numbered. A duplicate copy of each scale ticket shall remain in the possession of the public or private grain warehouse operator as a permanent record. The original scale ticket shall be delivered to the depositor upon receipt of each load of grain. Each scale ticket shall have printed across its face "This is a memorandum, non-negotiable, possession of which does not signify that settlement has or has not been consummated." The scale ticket shall state specifically whether the grain is received on contract, for storage, for shipment or consignment or sold. If the grain is received on contract or sold, the price shall be indicated on the scale ticket. All scale tickets shall be dated and signed by the public or private grain warehouse operator or the operator's agent or manager.

**Subd. 3. GRAIN DELIVERED CONSIDERED SOLD.** All grain delivered to a public grain warehouse operator shall be considered sold at the time of delivery, unless arrangements have been made with the public grain warehouse operator prior to or at the time of delivery to apply the grain on contract, for shipment or consignment or for storage.

**Subd. 4. FORM OF GRAIN WAREHOUSE RECEIPT.** (a) A grain warehouse receipt must be in duplicate, contain the name and location of the grain warehouse, and be delivered to the depositor or the depositor's agent. Grain warehouse receipts shall be consecutively numbered as prescribed by the commissioner and state the date of deposit, except where the deposit of a certain lot for storage is not completed in one day. In that case, the grain warehouse receipt, when issued, shall be dated not later than Saturday of the week of delivery.

(b) A grain warehouse receipt shall contain either on its face or reverse side the following specific grain warehouse and storage contract: "This grain is

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received, insured and stored through the date of expiration of the annual licenses of this grain warehouse and terms expressed in the body of this grain warehouse receipt shall constitute due notice to its holder of the expiration of the storage period. It is unlawful for a public grain warehouse operator to charge or collect a greater or lesser amount than the amount filed with the commissioner. All charges shall be collected by the grain warehouse operator upon the owner's presentation of the grain warehouse receipt for the sale or delivery of the grain represented by the receipt, or the termination of the storage period. Upon the presentation of this grain warehouse receipt and payment of all charges accrued up to the time of presentation, the above amount, kind and grade of grain will be delivered within the time prescribed by law to the depositor or the depositor's order."

(c) A grain warehouse receipt shall also have printed on it the following:

"Redemption of Receipt

Received from ....., the sum of \$..... or ..... bushels in full satisfaction of the obligation represented by this grain warehouse receipt.

Gross price per bushel \$.....

Storage per bushel \$.....

Net price per bushel \$.....

All blank spaces in this grain warehouse receipt were filled in before I signed it and I certify that I am the owner of the commodity for which this grain warehouse receipt was issued and that there are no liens, chattel mortgages or other claims against the commodity represented by this grain warehouse receipt.

Signed .....

Dated .....

Accepted .....

Warehouse operator

This redemption shall be signed by the depositor or the depositor's agent in the event that the grain represented is redelivered or purchased by the public grain warehouse operator. Signature of this redemption by the depositor constitutes a valid cancellation of the obligation embraced in the storage contract."

Subd. 5. VOID AGREEMENTS; PENALTY. A provision or agreement in a grain warehouse receipt not contained in subdivision 4 is void. The failure to issue a grain warehouse receipt, as directed, or the issuance of slips, memoranda or other forms of receipt embracing a different grain warehouse or storage contract is a misdemeanor, and no slip, memorandum or other form of receipt is admissible as evidence in any civil action. Nothing in sections 1 to 6 requires or compels any person operating a flour, cereal or feed mill or malthouse doing a manufacturing business, to receive, store or purchase at the mill or malthouse any kind of grain.

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Subd. 6. LIABILITY. A public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the grain warehouse receipt.

Subd. 7. GRAIN NOT RECEIVED. No public grain warehouse operator may issue a grain warehouse receipt for grain not actually received into the grain warehouse.

Subd. 8. RECORD OF GRAIN WAREHOUSE RECEIPTS. A receipt record stating the grain warehouse receipt number and date of deposit, gross weight, dockage and net weight shall remain in the possession of the public grain warehouse operator issuing the grain warehouse receipt and shall be open for inspection by the commissioner or interested parties.

Subd. 9. WAREHOUSE OPERATOR SHALL KEEP RECORD. A public grain warehouse operator must keep a proper record of all grain received, stored or shipped, stating the weight, grade, dockage, and the name of the owner.

Subd. 10. DELIVERY OF GRAIN. (a) On the redemption of a grain warehouse receipt and payment of all lawful charges, the grain represented by the receipt is immediately deliverable to the depositor or the depositor's order, and is not subject to any further charge for storage after demand for delivery has been made and proper facilities for receiving and shipping the grain have been provided. If delivery has not commenced within 48 hours after demand has been made and proper facilities have been provided, the public grain warehouse operator issuing the grain warehouse receipt is liable to the owner in damages not exceeding two cents per bushel for each day's delay, unless the public grain warehouse operator makes delivery to different owners in the order demanded as rapidly as it can be done through ordinary diligence, or unless insolvency has occurred.

(b) If a disagreement arises between the person receiving and the person delivering the grain at a public grain warehouse in this state as to the proper grade or dockage of any grain, an average sample of at least three quarts of the grain in dispute may be taken by either or both of the persons interested. The sample shall be certified by both the owner and the public grain warehouse operator as being true samples of the grain in dispute on the delivery day. The samples shall be forwarded in a suitable air-tight container by parcel post or express, prepaid, with the name and address of both parties, to the head of the grain inspection program of the department of agriculture, who shall, upon request, examine the grain, and determine what grade or dockage the samples of grain are entitled to under the inspection rules. Before the results of the inspection are released to the person requesting the inspection, the person shall pay the required fee. The fee shall be the same as that required for similar services rendered by the grain inspection program.

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**Subd. 11. TERMINATION OF STORAGE CONTRACT.** Storage contracts on grain being stored at public grain warehouses terminate on the expiration date of the storage license under which the grain warehouse operates. The expiration date must be plainly imprinted on each grain warehouse receipt issued by a public grain warehouse operator. Grain storage may be terminated by the depositor at any time before the expiration date by the payment or tender of all legal charges and the surrender of the grain warehouse receipt together with a demand for delivery of the grain or notice to the public grain warehouse operator to sell the grain. In the absence of a demand for delivery, order to sell or mutual agreement for the renewal of the storage contract, entered prior to the expiration of the original storage contract, the public grain warehouse operator shall, upon the expiration of the contract, and after notification by registered letter to the depositor, sell the stored grain at the local market price on the close of business on that day, deduct from the proceeds of the sale all legal accrued charges, and pay the balance of the proceeds to the depositor upon surrender of the grain warehouse receipt.

**Subd. 12. NEW GRAIN WAREHOUSE RECEIPT.** Upon the payment of all legally accrued charges and the return of the grain warehouse receipt, the public grain warehouse operator and the depositor may by mutual consent enter into an agreement for renewal of the grain storage. When the agreement is made, the warehouse operator shall issue a new grain warehouse receipt to the owner and cancel the former grain warehouse receipt by endorsing on it the words "Cancelled by the issuance of grain warehouse receipt No.," and inserting the number of the new grain warehouse receipt in the blank space. The cancelled grain warehouse receipt shall be signed by the warehouse operator and the depositor.

**Subd. 13. UNAUTHORIZED SALE OF GRAIN.** Except as provided in subdivision 11, no warehouse operator may sell or dispose of or deliver out of store any grain stored without the express authority of the depositor and the return of the grain warehouse receipt.

**Subd. 14. POOLING PROHIBITED.** It is unlawful for a public grain warehouse operator or the operator's agent to enter into a contract, agreement, combination or understanding with any other public grain warehouse operator whereby the amount of grain to be received or handled by the grain warehouses is equalized or pooled between the grain warehouses, whereby the profits or earnings derived from the grain warehouses is equalized, pooled or apportioned or whereby the price to be paid for any kind of grain at the grain warehouses is fixed or in any manner affected. Each continued day of the contract, agreement, combination or understanding is a separate offense.

**Subd. 15. CLOSING OR DESTRUCTION OF GRAIN WAREHOUSE.** (a) In case of loss or destruction by fire or other cause for the closing of a public grain warehouse, the licensee shall immediately notify the department of agriculture in writing.



(b) Whenever a grain warehouse is closed for more than 48 consecutive hours, not including Sundays and legal holidays, the grain warehouse operator shall advise all patrons of the closing by posting conspicuously at each entrance a notice showing the date of re-opening and giving the name and telephone number of a person authorized to act as agent for the purpose of making re-deliveries, purchases or conducting other grain warehouse business.

Subd. 16. INSURANCE REQUIRED. The operator of a public grain warehouse must keep all grain in the grain warehouse fully insured against loss by fire, windstorm and extended coverage risks and shall furnish the department of agriculture with evidence it requires that the insurance is in force.

**Sec. 5. [232.24] SCHEDULE OF INSPECTION, FINANCIAL REPORTS.**

Subdivision 1. SCHEDULE OF INSPECTION. A licensee under sections 1 to 6 is subject to two audits annually conducted by the commissioner or the agricultural marketing service of the United States department of agriculture. The commissioner may, by rule, authorize one audit to be conducted by a qualified nongovernmental unit.

Subd. 2. FINANCIAL REPORTS. A licensee under sections 1 to 6 must provide to the commissioner a copy of the financial reports of an audit conducted by a qualified nongovernmental unit containing information the commissioner requires.

Subd. 3. INSPECTION, SAMPLING. The commissioner or his authorized agent shall sample, inspect, and grade grains received or distributed from grain warehouses at such time and place and to such an extent as he may deem necessary to determine whether sampling, inspection, and grading conducted by the warehouse operator conforms with the standards set by the board of grain standards. The commissioner may obtain any additional information he deems necessary and is authorized to enter upon any public or private premises during regular business hours in order to carry out the provisions of this subdivision.

**Sec. 6. [232.25] PENALTY.**

A person who violates the provisions of sections 1 to 6 is guilty of a misdemeanor. The department may, if it finds after a hearing that any of the provisions of sections 1 to 6 have been violated by a person holding a license to operate a public grain warehouse, suspend or revoke the license. In case of revocation, no new license shall be granted to the person whose license was revoked nor to any one either directly or indirectly engaged with him in the licensed business for two years.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 231.16, is amended to read:

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## 231.16 WAREHOUSEMAN TO OBTAIN LICENSE.

Every person desiring to engage in the business of warehouseman, before engaging therein, shall be licensed annually by, and shall be under the supervision and subject to the inspection of, the department. Written application in the form prescribed by the department shall be made to the department for license, specifying the city in which it is proposed to carry on the business of warehousing, the location, size, character, and equipment of the buildings or premises to be used by the warehouseman, the kind of goods, wares, and merchandise intended to be stored therein, the name of the person or corporation operating the same, and of each member of the firm or officer of the corporation, and any other facts necessary to satisfy the department that the property proposed to be used is suitable for warehouse purposes and that the warehouseman making the application is qualified to carry on the business of warehousing. Should the department decide that the building or other property proposed to be used as a warehouse is suitable for the proposed purpose and that the applicants are entitled to a license, notice of the decision shall be given the interested parties and, upon the applicants filing with the department the necessary bond, as provided for in this chapter, the department shall issue the license provided for, upon payment of the license fee, as in this section provided. A warehouseman to whom a license is issued shall pay for the license a fee based on the storage capacity of the warehouse as follows:

## Storage capacity in square feet:

(1) 5,000 or less	\$ 65
(2) Over 5,000 to 10,000	\$125
(3) Over 10,000 to 20,000	\$200
(4) Over 20,000 to 100,000	\$250
(5) Over 100,000 to 200,000	\$325
(6) Over 200,000	\$375

set by the commissioner. Fees collected under this chapter shall be paid into the grain buyers and storage fund established in section 3.

The license shall be renewed annually on June 30, and always upon payment of the full license fee, as provided for in this section for such renewal; and no license shall be issued for any portion of a year for less than the full amount of the license fee, as provided for in this section. Each license obtained under this chapter shall be publicly displayed in the main office of the place of business of the warehouseman to whom it is issued. The license shall authorize the warehouseman to carry on the business of warehousing only in the one city or town named in the application and in the buildings therein described. The department, without requiring an additional bond and license, may issue permits from time to time to any warehouseman already duly licensed under the provisions of this chapter to operate an additional warehouse in the same city or town for which his original license was issued during the term thereof, upon his filing an application for a permit in the form prescribed by the department.

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License may be refused for good cause shown and revoked by the department for violation of law or of any rule or regulation by it prescribed, upon notice and after hearing.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 233.08, is amended to read:

**233.08 LICENSE.**

No public terminal warehouse shall be operated or receive grain for storage, either to be mixed with the grain of other parties of like grade, or in separate bins, until the owners or parties in charge and operating the warehouse shall first obtain a license from the department authorizing the warehouseman to operate a warehouse under the provisions of this chapter. All licenses issued or renewed annually shall expire at midnight on the 30th day of June next following the date of issuance or renewal. Before any license shall be issued, written application shall be made to the department for license specifying the kind of warehouse, the nature of its construction, its capacity and location, the name of the firm or corporation operating the same and each member of the firm or officer of the corporation and other facts as the department may require shall be contained in the application. The application shall be acted upon with reasonable dispatch by the department; and, if no reason exists for refusing the same, a license may be issued upon the payment of the fee of \$60 for each elevator. ~~The application set by the commissioner.~~ The amount of the fee shall be set to cover the costs of administering and enforcing this chapter. A license shall be granted only upon the warehouseman furnishing to the department a bond to the state of Minnesota, to be approved by the department, in a penal sum to be fixed by the department but not less than \$50,000 for each warehouse, which shall be conditioned for the faithful discharge of the duties of warehouseman and full compliance with all the laws of the state and rules of the department relative to the operation of public terminal warehouses and for the delivery to parties storing grain in such warehouses under the terms of this chapter of the grain or an equal amount of the same kind and grade so stored or the payment therefor of the value of the grain in case of failure to make the delivery. The license may be revoked by the department for violation of the law or any rule or regulation prescribed by the department, but shall only be revoked upon a written notice or complaint specifying the charges and after a hearing had before the department. A license may be refused to any warehouseman whose license has been revoked within the preceding year. ~~All moneys collected for license fees shall be deposited with the state treasurer.~~ If a warehouseman applies for a license for more than one warehouse in the same county, but one bond need be furnished but the same shall in all cases be in proportion to the capacity of all warehouses.

Fees collected under this chapter shall be paid into the grain buyers and storage fund established in section 3.

Sec. 9. Minnesota Statutes 1980, Section 236.02, is amended to read:

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**236.02 GRAIN BANK LICENSING; BONDING OF APPLICANTS.**

Any person who (1) operates an establishment which processes grain into feed and (2) is licensed to buy grain as a public or private local grain warehouseman under section 232.02, and ~~acts amendatory thereof~~, may obtain a license to operate a grain bank. No person may conduct a grain bank without a grain bank license.

A grain bank license shall be obtained from the department, which is hereby authorized to issue such a license upon compliance by the applicant with the bond requirements of sections 236.01 to 236.09. Such grain bank license shall be in addition to the license to buy grain as a public or private local grain warehouseman and shall empower the licensee to conduct a grain bank in accordance with sections 236.01 to 236.09.

Every grain bank license shall expire at midnight on the 30th day of June each year, ~~the fee shall be \$25 for each license and~~. A license shall be required for each location where a grain bank is operated. ~~The fees collected under this section shall be paid into the state treasury and credited to the general fund.~~ Such licenses shall be revocable by the department for cause upon notice and hearing. All licenses and rules regulating the operation of the grain bank shall be posted in a prominent and easily accessible place in the grain bank. The license fee shall be set by the commissioner in an amount sufficient to cover the costs of administering and enforcing this chapter.

Fees collected under this chapter shall be paid into the grain buyers and storage fund established in section 3.

No license shall be issued for the operation of a grain bank until the applicant has filed with the department a bond in such sum as the department may prescribe, which sum shall not be less than \$1,500 for each license and shall at all times be in sufficient sum to protect the holders of outstanding grain bank receipts. Such bonds shall be filed annually and cover the period of the grain bank license. Such bonds shall run to the state of Minnesota and shall be for the benefit of all persons storing grain in such grain bank. They shall be conditioned upon the faithful performance by the grain bank operator of all the provisions of the law relating to the operation of grain banks by such grain bank operator, and the rules and regulations of the department relative thereto. The department is authorized to require such increases in the amounts of such bonds from time to time as it deems necessary for the protection of grain bank receipt holders. The surety of such bonds shall be a corporate surety company authorized to transact business in the state of Minnesota. Any person for whose benefit the bond is given may commence an action thereof in their own name in district court. Any person who is granted a grain bank license at more than one location may, with the department's approval, file one bond covering all locations in such total amount as the department may require under sections 236.01 to 236.09 and the rules and regulations made pursuant to sections 236.01 to 236.09. Any person,

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firm or corporation licensed as a public local grain warehouseman and bonded under the provisions of section 232.13 may include liability for outstanding non-negotiable grain bank receipts under the coverage of such bond in lieu of securing a separate grain bank bond as provided in this section.

#### Sec. 10. APPROPRIATIONS CANCELLED.

The sums appropriated from the general fund to the commissioner of agriculture for the administration and enforcement of grain and public terminal warehouse regulations in Minnesota Statutes, Chapters 231, 232, 233, and 236, for the fiscal year ending June 30, 1983, are cancelled and shall be credited to the general fund.

#### Sec. 11. APPROPRIATION.

The sum of \$30,000 is appropriated from the general fund to the commissioner of agriculture for establishment of the grain buyers and storage fund pursuant to section 3. The amount appropriated in this section shall be repaid by the commissioner to the general fund by June 30, 1983.

#### Sec. 12. REPEALER.

Minnesota Statutes 1980, Sections 232.06, Subdivisions 2, 3, 4, 6 and 7; 232.07; 232.08; 232.09; 232.10; 232.11; 232.12; 232.13; 232.14; 232.15; 232.16; 232.17; 232.18; 232.19; and Minnesota Statutes 1981 Supplement, Section 232.06, Subdivision 1, are repealed. Section 2, subdivision 5, is repealed July 1, 1983.

Approved March 22, 1982

### CHAPTER 509 — S.F.No. 1451

*An act relating to storm and waste water management; providing for the establishment and operation of a water planning and management program in the metropolitan area; requiring watershed and local water management plans in the metropolitan area; providing for the establishment and operation of watershed management organizations in the metropolitan area; establishing provision for the event that grant funding is not received for the North Koochiching area sanitary district; authorizing debt; authorizing taxes; amending Minnesota Statutes 1980, Sections 112.35, by adding a subdivision; 112.37, Subdivision 1, and by adding a subdivision; 112.42, Subdivision 3 and by adding a subdivision; 112.43, by adding a subdivision; 112.46; Laws 1981, Chapter 291, Section 2, Subdivisions 1 and 2, and by adding subdivisions; 4, Subdivision 1; 5, Subdivision 2; 7; 8, Subdivisions 1 and 2, and by adding a subdivision; and 24; proposing new law coded in Minnesota Statutes, Chapter 473.*

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