

as hereinbefore specified, all such loans shall be subject to the provisions of the Minnesota Rural Credit Act.

Approved April 13, 1923.

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CHAPTER 254—H. F. No. 1054.

*An act defining and licencing and regulating dealers at wholesale of produce as therein defined, imposing certain duties and conferring certain powers upon the commissioner of agriculture in connection therewith, prescribing penalties for violations thereof, and repealing inconsistent acts and parts of acts.*

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

**Section 1. Who are dealers.**—For the purposes of this act any person who shall purchase or contract to purchase, or who shall handle in wholesale lots for the purpose of resale, or who shall handle on account of or as an agent for another, any produce as herein defined, shall be deemed a dealer at wholesale.

**Sec. 2. Definition of term "produce."**—The term "produce" as used in this act shall mean and include the natural products of the farm, except hay, grain, straw and livestock other than veal; the natural products of the orchard, garden and apiary; the raw and finished products of the dairy, creamery, cheese factory, condensery and dry milk factory; the products of livestock, including wool, mohair, skins, hides and meats; veal; poultry and poultry products; game and fish.

**Sec. 3. Dealer must be licensed.**—No person shall engage in, or purport to be engaged in, or hold himself out as being engaged in the business of a dealer at wholesale, or as being a dealer at wholesale, unless he shall be licensed to carry on such business by the Commissioner of Agriculture.

**Sec. 4. Commissioner of agriculture to issue licenses—Application—Bonds.**—Licenses to engage in the business of a dealer at wholesale shall be issued by the Commissioner of Agriculture, hereinafter referred to as the Commissioner, to such reputable persons as shall apply therefor, pay the prescribed fee and comply with the conditions herein specified, to-wit:

(a) The application shall be in writing and under oath and shall set forth the place or places where the applicant intends to carry on the business for which the license is desired, the estimated amount of business to be done monthly, the amount of business done during the preceding year, if any, the full names of the persons constituting the firm, in case the applicant is a copartnership, the names of the officers of the corporation and where incorporated, if a corporation, and a financial statement showing the value and character in a general way of the assets and the amount of liabilities of the applicant.

(b) The applicant shall execute and file with the Commissioner a bond to the State of Minnesota with sureties to be approved by the Commissioner, the amount and form thereof to be fixed by the Commissioner, conditioned for the faithful performance of his duties as a dealer at wholesale, for the observance of all laws relating to the carrying on of the business of a dealer at wholesale, for the payment when due of the purchase price of produce purchased by him, for the prompt reporting of sales, as required by law, to all persons consigning produce to the licensee for sale on commission and the prompt payment to the persons entitled thereto of the proceeds of such sales, less lawful charges, disbursements and commissions. Such bond shall cover each and every place of business within the state conducted or to be conducted by the applicant. Separate licenses shall be required for each location at which consignments are received or disposed of by such dealer at wholesale, and the license shall be kept posted in the office of the licensee at the place licensed. All licenses shall expire May 31 of each year. The fee for each license shall be five dollars. Whenever the licensee shall sell, dispose of or discontinue his business during the life time of his license, he shall at the time such action is taken notify the Commissioner in writing, and shall upon demand produce before the Commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of said business.

(c) The applicant shall file with the Commissioner a schedule of his commissions and charges for services in connection with produce handled on account of or as agent for another.

**Sec. 5. Commissioner may require additional bonds.**—The commissioner, whenever he is of the opinion that any bond theretofore given by any licensee is inadequate for the proper protection of the public, may require the licensee to give additional bonds in such amounts as from time to time he may determine and direct, with sureties to be approved by the Commissioner and conditioned as heretofore set forth. For the purpose of fixing or changing the amount of such bonds the Commissioner may require from a licensee verified statements of his business, and if the licensee fails to furnish such information or to furnish a new bond when directed by the Commissioner so to do, the Commissioner may revoke his license, after ten days' notice and opportunity to be heard.

**Sec. 6. Persons damaged may sue on bonds.**—Any person claiming himself to be damaged by any breach of the conditions of a bond given by a licensee as hereinbefore provided may maintain an action thereon in his own name against both principal and sureties; upon commencing such action he shall file a copy of the complaint therein with the Commissioner. If such licensee has become liable to more than one person by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all persons entitled to the protection of the bond, the

penalty of the bond as against the sureties shall be apportioned among the several claimants.

**Sec. 7. Commissioner to establish grade of produce.**—The Commissioner shall have power to establish grades on all produce as herein defined, and when deemed necessary, shall provide for inspecting and grading produce subject to sale, at such marketing points within the state as the Commissioner may designate, and provide for the issuing of certificates of inspection showing the grade, quality, and conditions of such produce, and may charge and collect a reasonable fee therefor, a schedule thereof to be adopted and published from time to time. Such certificates of inspection shall be prima facie evidence in all courts of this state as to the grade, quality and condition of such produce at the time such inspection was made.

**Sec. 8. Brands—Filing of brands and labels.**—Any person producing or manufacturing or handling in this state any of the products mentioned in this act, except cheese and butter, and preparing, packing and offering the same for sale, may file with the Commissioner a brand or label which shall thereafter be the exclusive property of said applicant, and he may place upon said brand or label such descriptive or locative matter as shall be approved by the Commissioner. The Commissioner may issue to such applicant for brands and labels a permit to use the same subject to such regulations and restrictions as to quality of product so branded as the Commissioner may determine. Said brand or label shall be recorded in the office of the Commissioner, and any person who shall without authority of the Commissioner use any such brand or label, or who shall brand and label therewith products or commodities of a quality below the standard permitted under the brand or label shall be subject to the penal provisions of this act.

**Sec. 9. Any interested party may call for inspection certificate.**—Whenever produce is ready for sale, or is on its way to market, the owner thereof or the conveyer, or the prospective buyer, or any other interested party may call for and shall be entitled to inspection of said produce and to an inspection certificate as provided for in Section 7 of this act.

**Sec. 10. Commissioner to make inspections.**—Whenever produce is shipped to or received by a dealer at wholesale for handling, purchase or sale in this state at any market point therein giving inspection service as provided for in Section 7 of this act, and said dealer at wholesale finds the same to be in a spoiled, damaged, unmarketable or unsatisfactory condition, unless the owner of such produce shall waive inspection before sale or other disposition thereof, he shall cause the same to be examined by an inspector assigned by the Commissioner for that purpose, and said inspector shall execute and deliver a certificate to the applicant thereof stating the day and the time and place of such inspection and the

condition of such produce, and mail or deliver a copy of such certificate to the shipper thereof.

**Sec. 11. Wholesale dealers shall report to shippers.**—Whenever any dealer at wholesale to whom produce has been shipped has received the same, he shall immediately notify the shipper of the receipt of such shipment after such shipment has been sold by him the dealer at wholesale shall make a written report of such sale to the shipper within forty-eight hours thereafter, which report shall show the date of the sale, the quantity, quality or grade, and the price received, and at the same time shall pay the shipper the net proceeds of such sale.

**Sec. 12. Complaints of shippers to be made to commissioner.**—Whenever a shipper after demand therefor, shall have received no remittance or report of sale, or shall be dissatisfied with the remittance, sale or report, he may complain in writing to the Commissioner, who shall investigate the matter complained of.

**Sec. 13. Commissioner to investigate complaints.**—Said Commissioner is authorized to receive complaints against any persons dealing in, shipping, transporting, storing, or selling produce, and shall have full authority to make any and all necessary investigations relative to the handling of or storing, shipping or dealing in produce at wholesale, and he shall at all times have access to all buildings, yards, warehouses, storage and transportation facilities in which any produce is kept, stored, handled or transacted. For the purpose of enforcing the provisions of this act, the Commissioner shall have the authority, upon complaint being filed with him for any alleged violation of the provisions of this act or the regulations issued thereunder, or upon information furnished by an inspector of the Department of Agriculture, to suspend any license issued by him. He shall have and is hereby granted full authority to issue subpoenas requiring the attendance of witnesses before him of books, papers and other documents, articles or instruments, and compel the disclosure by such witnesses of all facts known to them relative to the matters under investigation, and shall have full authority to administer oaths, and to take testimony; and the Commissioner shall thereafter give the complainant a written report of the investigation. Such report shall be prima facie evidence of the matters therein contained. All parties disobeying the orders or subpoenas of said Commissioner shall be guilty of contempt as in proceedings in district courts of the state and may be punished in like manner.

**Sec. 14. Commissioner to make rules and regulations.**—The Commissioner shall have power and it shall be his duty from time to time to make and publish uniform rules and regulations, not inconsistent with law, for carrying out and enforcing the provisions of this act and governing the rates charged by and the buying, selling, advertising and trading practices of dealers at wholesale,

which rules and regulations shall be filed in the office of the Commissioner, and published twice in a legal newspaper of general circulation published at the capital of the state, and from and after the tenth day succeeding the date of the last such publication, such rules and regulations shall have the force and effect of law. An affidavit of such publication shall be kept on file in the office of the Commissioner. A copy of such rules and regulations, certified by the Commissioner, shall be prima facie evidence of the facts therein contained and of the due making and publication of such rules and regulations.

**Sec. 15. Commissioner may co-operate with other agencies.**—The Commissioner may co-operate with the United States Department of Agriculture and with other federal departments, and with the state and municipal authorities of this and other states, and do and perform such acts and things as may be necessary and proper in carrying out the purposes of this act.

**Sec. 16. Violation—Penalties.**—Any person subject to the provisions of this act who shall:

(a) Fail to account for produce or to make settlement therefor within the time herein limited; or who shall violate or fail to comply with the terms or conditions of any contract entered into by him for the purchase or sale of produce.

(b) Purchase for his own account any produce received on consignment, either directly or indirectly, without the consent of the consignor; or

(c) Make any false statement or report as to the grade, condition, markings, quality or quantity of produce received or delivered, or act in any manner so as to deceive the consignor or purchaser thereof; or

(d) Make or collect any commission or charge in excess of that shown in his schedule filed with the Commissioner; or

(e) Whoever shall violate any provisions of this act or any rule or regulation made or published thereof by the commissioner shall be deemed guilty of a misdemeanor, and his license may be suspended, revoked or cancelled by the commissioner upon ten days' notice and opportunity to be heard, but upon conviction of any such offense it shall be the duty of the commissioner to revoke and cancel license of the person so convicted.

**Sec. 17. Commissioner to enforce act.**—The Commissioner shall be charged with the enforcement of the provisions of this act and of the rules and regulations made and published thereunder. Upon complaint made it shall be the duty of the county attorney to prosecute all cases arising in his county for violation of this act or of the rules or regulations made and published thereunder.

**Sec. 18. Inconsistent acts repealed.**—All acts and parts of acts inconsistent with this act are hereby repealed.

Sec. 19. This act shall take effect and be in force from and after May 31st, 1923.

Approved April 13, 1923.

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CHAPTER 255—H. F. No. 906.

*An act relating to taxation for school purposes in cities of the second class.*

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

**Section 1. Tax levy for schools in cities of the second class.**—In the city of the Second Class in this State, constituting a single school district in which the Board of Education is given power to direct a levy of School taxes to be made, such Board of Education is hereby authorized to direct a levy of taxes for the general school fund of such district in an amount not exceeding thirty mills on the dollar of the assessed valuation of all taxable property in such city.

**Sec. 2. School building sinking fund created.**—That there is hereby created in and for each such school district a sinking fund, known and designated as "school building sinking fund", the proceeds of which shall be appropriated exclusively to the cost of constructing new school buildings, or remodeling or building additions to existing school buildings, or purchasing equipment for any such buildings, and to the cost of plans and specifications therefor and the purchase of real estate as sites therefor.

**Sec. 3. Tax levy for sinking fund.**—That such Board of Education is further authorized to direct a levy of taxes to be made for such school building sinking fund in an amount not exceeding ten mills on the dollar of the assessed valuation of all taxable property in such city.

**Sec. 4. Sinking fund moneys not to be used for other purposes.**—Said sinking fund shall be kept inviolate and no moneys shall be paid out of such sinking fund for any purposes other than herein designated and all moneys received by or for such school district belonging to said fund shall be immediately placed to the credit of said sinking fund.

**Sec. 5. Inconsistent act repealed.**—That Chapter 90, Laws 1919 and chapter 58, Laws 1921, and all acts and parts of acts inconsistent with the provisions of this act, be and the same are hereby repealed, but such repeal shall not affect or invalidate taxes heretofore levied or school building sinking funds heretofore accumulated pursuant to the provisions of said chapters or acts.

**Sec. 6.** This act shall take effect and be in force from and after its passage.

Approved April 13, 1923.