

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4302

(SENATE AUTHORS: KUPEC)

DATE
02/26/2024

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OFFICIAL STATUS
Introduction and first reading
Referred to Agriculture, Broadband, and Rural Development

- 1.1 A bill for an act
- 1.2 relating to agriculture; modifying grain indemnity provisions; amending Minnesota
- 1.3 Statutes 2022, sections 223.17, subdivision 6; 232.21, subdivisions 3, 7, 11, 12,
- 1.4 13.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2022, section 223.17, subdivision 6, is amended to read:
- 1.7 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer
- 1.8 licensed under this chapter must annually submit to the commissioner a financial statement
- 1.9 prepared by a third-party independent accountant or certified public accountant in accordance
- 1.10 with ~~generally accepted accounting principles~~ national or international accounting standards.
- 1.11 The annual financial statement required under this subdivision must also:
- 1.12 (1) include, but not be limited to the following:
- 1.13 (i) a balance sheet;
- 1.14 (ii) a statement of income (profit and loss);
- 1.15 (iii) a statement of retained earnings;
- 1.16 (iv) a statement of ~~changes in financial position~~ cash flow; and
- 1.17 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
- 1.18 grain buyer;
- 1.19 (2) be accompanied by a ~~compilation~~ report of the financial statement that is prepared
- 1.20 by a grain commission firm or a management firm approved by the commissioner or by an

independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants or similar international standards;

~~(3) be accompanied by a certification by the chief executive officer or the chief executive officer's designee of the licensee, and where applicable, all members of the governing board of directors under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement;~~

~~(4) for grain buyers purchasing under \$7,500,000 of grain annually, be reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants, and must show that the financial statements are free from material misstatements; and~~

~~(5)~~ (3) for grain buyers purchasing \$7,500,000 or more of grain annually, be audited or reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants ~~and~~ or similar international standards. An audit must include an opinion statement from the certified public accountant performing the audit; and

(4) for grain buyers purchasing \$20,000,000 or more of grain annually, be audited by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants or similar international standards. The audit must include an opinion statement from the certified public accountant performing the audit.

(b) Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

(c) A grain buyer who purchases grain immediately upon delivery solely with cash; ~~a certified check; a cashier's check; or a postal, bank, or express money order,~~ as defined in section 223.16, subdivision 2a, paragraph (b), is exempt from this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

(d) For an entity that qualifies for the exemption in paragraph (c), the commissioner retains the right to require the entity to provide the commissioner with financial reporting based on inspections, any report of nonpayment, or other documentation related to violations of this chapter, chapter 232, or Minnesota Rules, chapter 1562.

(e) To ensure compliance with this chapter, the commissioner must annually review financial statements submitted under paragraph (a).

~~(d) (f) The commissioner shall annually provide information on a person's fiduciary duties to each licensee. To the extent practicable, the commissioner must direct each licensee to provide this information to all persons required to certify the licensee's financial statement under paragraph (a), clause (3).~~

(g) The commissioner may require an entity to provide additional financial statements or financial reporting, including audited financial statements.

Sec. 2. Minnesota Statutes 2022, section 232.21, subdivision 3, is amended to read:

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's designee.

Sec. 3. Minnesota Statutes 2022, section 232.21, subdivision 7, is amended to read:

Subd. 7. **Grain.** "Grain" means any ~~cereal grain, coarse grain, or oilseed in unprocessed form for which a standard has been established by the United States Secretary of Agriculture, dry edible beans, or agricultural crops designated by the commissioner by rule~~ product commonly referred to as grain, including wheat, corn, oats, barley, rye, rice, soybeans, emmer, sorghum, triticale, millet, pulses, dry edible beans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, and other products ordinarily stored in grain warehouses.

Sec. 4. Minnesota Statutes 2022, section 232.21, subdivision 11, is amended to read:

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~~ grows grain on land owned or leased by the person.

Sec. 5. Minnesota Statutes 2022, section 232.21, subdivision 12, is amended to read:

Subd. 12. **Public grain warehouse operator.** "Public grain warehouse operator" means: (1) a person licensed to operate ~~operating~~ a grain warehouse in which grain belonging to persons other than the grain warehouse operator is accepted for storage or purchase; ~~or;~~ (2) a person who offers grain storage or grain warehouse facilities to the public for hire; or (3) a feed-processing plant that receives and stores grain, the equivalent of which; it processes and returns to the grain's owner in amounts, at intervals, and with added ingredients that are mutually agreeable to the grain's owner and the person operating the plant.

4.1 Sec. 6. Minnesota Statutes 2022, section 232.21, subdivision 13, is amended to read:

4.2 Subd. 13. **Scale ticket.** "Scale ticket" means a memorandum ~~showing the weight, grade~~
4.3 ~~and kind of grain which is~~ issued by a grain elevator or warehouse operator to a depositor
4.4 at the time the grain is delivered.