

CHAPTER 232

PUBLIC LOCAL GRAIN WAREHOUSES

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NOTE: For penalties for the violation of the provisions of this chapter, see Section 235.13.

232.01 LOCAL WAREHOUSES. Subdivision 1. All elevators, flour, cereal and feed, malt-houses and warehouses in which grain is received, stored or handled, situate at any location other than Minneapolis, St. Paul and Duluth, shall be public warehouses known as public local grain warehouses and shall be under the supervision and subject to the inspection of the commission.

Subd. 2. All elevators, flour, cereal and feed mills, malt-houses or warehouses located in any of the cities above named receiving grain in less than minimum car-load lots shall also be required to conform to all laws relating to public local grain warehouses.

Subd. 3. [Repealed, 1951 c 110 s 1]

[1923 c 114 s 1; 1937 c 296 s 1; 1943 c 345 s 1; 1949 c 478 s 1] (5059)

232.02 LICENSES; REGULATION. Subdivision 1. Any person, firm, or corporation, operating a public local grain warehouse shall be licensed to buy grain annually by the commission. Application for license must be filed with the commission and the license issued before transacting warehouse business.

Subd. 2. Every license shall expire at midnight on the thirtieth day of June, the fee shall be \$10 for each license issued and a license shall be required for each such warehouse operated. The fees collected under this section shall be paid into the state treasury and credited to the general revenue fund. Such license shall be revocable by the commission for cause upon notice and hearing. All licenses, grade rules, and all rules regulating public local grain warehouses shall, upon receipt thereof by the warehouseman, be posted in a protected place in the driveway to his warehouse.

Subd. 3. Any person, firm, or corporation, other than a licensed warehouseman, who shall purchase grain from the owner thereof for the purpose of resale shall first procure a license therefor from the commission before transacting such business and shall be subject to the same laws, rules, and regulations as may govern public local grain warehousemen insofar as they may apply. Such license shall be renewed annually and shall also expire on June thirtieth. The fee for each such buyer's license shall be \$10. The commission may require a separate license for each truck or tractor-trailer unit used in such grain buying. Before any such license shall be issued the applicant therefor shall file with the commission a bond to the state with a corporate surety, approved by the commission, in a penal sum to be prescribed by the commission, but not less than \$2,500, conditioned that the applicant will pay upon demand to such owner the purchase price of such grain. Said bond is to provide coverage or security for the protection of the public required with respect to truck grain buyers, regardless of whether the motor vehicles used by the licensee are specifically licensed as required by this section.

Subd. 4. The surety bond shall be for the purpose of protecting any person dealing with the licensee or his or their agent or agents, within the state of Minnesota, from loss by reason of any violation of this section.

Subd. 5. The bond shall not cover transactions wherein it appears to the commission that a voluntary extension of credit has been given on the purchase price of such grain by the seller to the licensee beyond the demand date. Any person claiming to be damaged by a breach of the conditions of a bond given by an applicant or licensee may enter complaint thereof to the commission, which complaint shall be a written statement of the facts constituting the complaint and shall file it

in the office of the secretary of the commission within six months from breach of the conditions of the bond.

Subd. 6. If the commission determines that there is reasonable cause for complaint, it shall assign said complaint for hearing upon ten days notice to the complainant, respondent and the company that furnished the bond filed by the licensee. At the conclusion of said hearing the commission shall issue its order upon the matter complained of to complainant, respondent and the bonding company, who shall have 30 days following in which to make effective and satisfy the commission's findings, conclusions and order.

Subd. 7. If there is reasonable cause to believe that the licensee is in violation of the provisions of this section, it may forthwith suspend, and after ten days notice and opportunity to be heard, revoke his license.

Subd. 8. 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. Nothing in this section shall apply to anyone purchasing seed grain for his own use or to any person who engages in the purchase of grain for his own use or consumption; but the word "use" or the word "consumption," as used herein, shall not be construed to mean or include the sale of such grain at retail or wholesale; provided that nothing herein contained shall apply to persons, firms or corporations or their employees buying or selling grain in any chamber of commerce, board of trade, or grain exchange.

Subd. 9. Any public local grain warehouseman or such purchaser of grain operating without first obtaining such license shall be deemed guilty of a misdemeanor; each day of such operation shall constitute a separate offense for which such public local grain warehouseman, or purchaser of grain, shall forfeit to the state \$50 and such operation may be enjoined upon complaint of the commission.

[1923 c 114 s 2; 1937 c 296 s 2; 1941 c 432 s 1; 1943 c 345 s 2; 1955 c 820 s 20; 1957 c 668 s 1; 1961 c 339 s 1] (5060)

232.03 WAREHOUSES MUST BE KEPT OPEN. All public local grain warehouses shall be kept open for business in order to properly serve the public. Upon application and sufficient cause shown the commission may allow any such warehouse to close for such length of time as may be stated in the order issued therein. Nothing in this section contained shall apply to flour, cereal and feed mills and maltheuses, doing a manufacturing business.

[1923 c 114 s 3; 1943 c 345 s 3] (5061)

232.04 LICENSES MAY BE REVOKED. Any person, firm, or corporation operating a public local grain warehouse who shall fail to keep the same open for the transaction of the business for which license has been issued, without first having received written permission from the commission to close, shall be guilty of a misdemeanor and the license issued may be revoked by the commission and no reissue of license will be made to such warehouseman, or anyone associated or connected with him or them for a period not exceeding two years.

In case of loss or destruction by fire or other cause of any licensed public local grain warehouse, it shall be the duty of the licensee thereof to notify the commission in writing of any loss arising therefrom, forthwith.

Upon the sale or lease of a public local grain warehouse, when the person, firm, or corporation operating the same is licensed only to buy grain such transfer of license will be had free of charge by applying to the commission for the same; provided, that the party selling or leasing the same shall first file with the commission a report of the business done from the preceding first day of June, up to the time of such sale or lease, and where the public local grain warehouseman is licensed to buy and store grain and such warehouseman shall satisfy the commission that proper provision has been made for the purchase, re-delivery, or continuation of the storage of such grain as may be outstanding on storage receipts, and shall file the report above mentioned, the license of such person, firm, or corporation to buy grain will be transferred free of charge.

[1923 c 114 s 4; 1937 c 296 s 3; 1943 c 345 s 4] (5062)

232.05 STATE INSPECTION AND WEIGHING. The commission, upon proper application for state inspection or weighing of grain by any person interested at any other point than St. Paul, Minneapolis, or Duluth, may furnish such service, if the commission deems it expedient; provided, such person first agrees to pay all

costs of the service. Rules governing state inspection and weighing at other terminals shall apply at such points.

[*R L s 2086; 1943 c 345 s 5*] (5062-1)

232.06 GRAIN RECEIVED FOR STORAGE; RECEIPT. Subdivision 1. **Discrimination prohibited; contract for storage.** Every person, firm, or corporation operating a public local grain warehouse licensed to store grain shall receive for storage, so far as the capacity of the warehouse will permit, all grain tendered him, without discrimination of any kind; provided such grain is sound and in a warehouseable condition and of proper grade for delivery on terminal market contracts. Upon delivery of grain for storage a legal warehouse storage receipt shall be issued to the owner or his agent which shall state the place and date when the grain was received, the name of the owner of the grain, the kind and grade of the grain according to the official terms established by the state board of grain appeals, or by the Secretary of Agriculture of the United States, the gross weight, dockage and net weight of the grain as per Minnesota standard weight and in addition thereto such receipt shall contain either on its face or reverse side the following specific warehouse and storage contract:

This grain is received, insured and stored to June 30th, following, unless it is shelled corn, when the date shall be March 31st following delivery, and terms expressed in the body of this receipt shall constitute due notice to the holder thereof of the expiration of the storage period. Excepting therefrom "an agreement for the renewal of such storage," the charges for receiving, insuring, handling and storing for the first ten days, or part thereof, shall be free. Storage after the first ten days shall be charged and hereby is fixed in the sum of one-twentieth of a cent per bushel per day for the storage period, which shall be collected by the warehouseman upon presentation of the storage receipt for the sale or delivery of the grain represented by such receipt, or the termination of the storage period. It shall be and hereby is made unlawful for any person, firm, association or corporation to charge or collect a greater or lesser amount than the one herein fixed. This grain has been received and stored with grain of the same lawful grade. Upon the return of this receipt and payment or tender of a delivery charge per bushel of five cents for flax, four cents for soybeans, wheat and rye and three cents for each other grains, and all other stated lawful charges accrued up to the time of said return of this receipt, the above amount, kind and grade of grain will be delivered within the time prescribed by law to the person above named or his order either from this warehouse, or if the owner so desires, in quantities not less than a carload in a public bonded warehouse at any terminal point upon the same line of railway within this state where state or federal inspection and weighing is in force, the grade and weight thereof to be determined by state or federal inspection and weighing as provided by law, and such grain to be subject to the usual freight, inspection, weighing and switching charges.

Subd. 2. **Stub record.** Attached to the receipt shall be a stub record stating number and date of receipt and the gross weight, dockage and net weight; such stub record to remain in the possession of the person, firm, or corporation issuing the receipt and shall be open for inspection by the commission or interested parties. The receipt shall be consecutively numbered and delivered to the owner or his agent. All storage receipts shall state the date of delivery, except where the delivery of a certain lot for storage is not completed, when such receipt shall be dated not later than Saturday of the week of delivery. All special bin receipts and stub records thereof shall have plainly marked thereon the words "Special Bin." Any such person, firm or corporation may insert on said receipt the following clause: "If any of the grain embraced in this receipt shall prove to be covered by any chattel mortgage or other lien, or the partial or absolute title prove to be in another other than the party to whom this receipt was issued, the same shall, if discovered before delivery of the grain, be a sufficient reason for a refusal to deliver to the holder of the receipt, or, if discovered after the delivery of the grain, such delivery shall be deemed an overdelivery, for which said holder of this receipt to whom such delivery is made, shall be accountable."

Subd. 3. **Void agreements.** Any provision or agreement in such receipt not contained in the aforesaid specific warehouse and storage contract shall be void. The failure to issue such receipt, as directed, or the issuance of slips, memoranda, or any other form of receipt embracing a different warehouse or storage contract shall be deemed a misdemeanor, and no such slip, memoranda, or other

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form of receipt shall be admissible in evidence in any civil action, provided, nothing in this chapter contained shall be construed to require or compel any party or parties operating a flour, cereal or feed mill, or malthouse doing a manufacturing business, to receive, store or purchase at said mill any kind of grain.

Subd. 4. **Liability.** The person, firm, or corporation issuing such receipt shall be held liable to the owner for the delivery of the kind, grade and net quantity of grain called for by said receipts. The term "grain" shall include the following products: Wheat, corn, oats, rye, barley, flaxseed, speltz and soy beans.

Subd. 5. **Purchases, how made.** Such person, firm, or corporation shall purchase grain in conformity with the official grades of grain established from time to time by the state board of grain appeals or by the Secretary of Agriculture of the United States, except as otherwise provided in rules and regulations applicable thereto adopted by state or federal officials pursuant to law. The official grades so established and any change that may be made from time to time shall be posted in a conspicuous place in their warehouse.

Subd. 6. **Receipt, when not issued.** No licensed person, firm, or corporation shall issue a receipt for grain not actually received into his warehouse.

Subd. 7. **Punishment for violations.** Any person, firm, association, or corporation or other officer or agent of either thereof who shall violate the provisions of this section shall be guilty of a misdemeanor and shall be punished by a fine of not less than \$50 or by imprisonment in the county jail for not less than 30 days. The commission shall have the power and it shall be its duty whenever it finds, after a hearing, that the provisions of this chapter have been violated by any person holding a license to conduct a public local grain warehouse in this state, to revoke such license, and in such case no new license shall be granted to the person whose license is so revoked, nor to any one either directly or indirectly engaged with him in said business for the period of one year, except that the commission is authorized and empowered, upon application, to permit such licensed public local grain warehousemen to execute and perform agreements with the Secretary of Agriculture representing the several agencies of the United States Department of Agriculture, when such agreements may provide rates for handling and storing grain contrary to those prescribed by the statutes of Minnesota.

[1923 c 114 s 5; 1927 c 200 s 1; 1937 c 296 s 4; 1941 c 431; 1943 c 345 s 6; 1949 c 371 s 1; 1957 c 338] (5063)

232.07 FORM OF STORAGE RECEIPT. The form of receipt hereinafter set forth shall be printed on such storage receipt and shall be executed by the owner or his agent in case the grain represented thereby is purchased by such public local grain warehouseman, and said warehouseman shall record such purchase as to the total amount paid and the amount paid per bushel on the stub record of his storage receipt book.

Form of Receipt

Received from.....dollars net in full
payment for the grain represented by this storage receipt. Gross price per bushel
.....storage per bushel.....
net price per bushel..... All blank spaces in this receipt
were filled in before the same was signed by me, and I hereby certify that I am the
owner of the grain for which this storage receipt was issued and that there are no
liens, chattel mortgages or other claims against the grain represented by this
storage receipt.

Signed.....
(Owner)

Dated.....19.....

Nothing in this section contained shall be construed to affect in any manner the conditions of the storage contract specified in section 232.06.

[1923 c 114 s 6; 1943 c 345 s 7] (5064)

232.08 GRAIN, DELIVERY ON STORAGE RECEIPT. On the return and surrender of any storage receipts and payment of all lawful charges, the grain represented thereby shall be immediately deliverable to the owner, or his order, and shall not be subject to any further charge for storage after demand for delivery shall

have been made and proper facilities for receiving or shipping the same have been provided.

If not delivered within 24 hours after such demand and proper facilities have been provided, the public local grain warehouseman issuing such storage receipt shall be liable to the owner in damages not exceeding one cent a bushel for each day's delay, unless he shall make delivery to different owners in the order demanded as rapidly as it can be done by ordinary diligence. The owner of the storage receipt shall order the car or other vehicle in which the grain covered by his receipt is to be transported, and the grain shall be delivered forthwith when the car or other vehicle so ordered is in proper condition for loading and is placed at the warehouse.

If any dispute or disagreement arises between the party receiving and the party delivering the grain at any public local grain warehouse in this state as to the proper grade or dockage, or both, of any grain, an average sample of at least three quarts of said grain in dispute may be taken by either or both of the parties interested. Said sample or samples shall be certified to by both the owner and public local grain warehouseman as being true samples of the grain in dispute on the day upon which the grain is delivered. Such samples shall be forwarded in a suitable sack by parcel post or express, prepaid, with the name and address of both parties, to the chief inspector of grain at St. Paul or Minneapolis, who shall, upon request, examine said grain, and adjudge what grade or dockage or both said samples of grain are entitled to under the inspection rules. If the grain in question is damp, or otherwise out of condition, a pint of such samples shall be placed in an airtight container and forwarded with such sample or samples.

Each public local grain warehouseman shall post in a conspicuous place within his warehouse the text of this section and the schedule of charges prescribed by the commission for the services rendered hereunder which shall be the same as for similar services rendered by the grain inspection department. When a sample of grain is forwarded to the chief inspector of grain under this section, the charges of the commission for services to be rendered shall be tendered in advance.

[1923 c 114 s 7; 1943 c 345 s 8; 1955 c 413 s 1] (5065)

232.09 WAREHOUSEMAN SHALL KEEP RECORD. Every public local warehouseman shall keep in proper books a record of all grain received, stored or shipped, stating the weight, grade, dockage for dirt, or other cause, and the name of the owner.

[1923 c 114 s 8; 1943 c 345 s 9] (5066)

232.10 STANDARD WEIGHTS TO BE USED. It shall be unlawful for any person, firm, or corporation engaged in the purchase, sale, or storage of grain at any public local grain warehouse in this state, as the same is now or may be hereafter defined by law, to use any other measure for such grain than the standard bushel; and the number of pounds to be used or called a bushel shall be the number of pounds provided by law as the standard weight of the kind of grain in question; provided, that during the months of October and November not exceeding 80 pounds and during the months of December and January not exceeding 72 pounds may be so used as the standard bushel of new ear corn.

[1923 c 114 s 9; 1943 c 345 s 10] (5067)

232.11 POOLING PROHIBITED. It shall be unlawful for any person, firm or corporation engaged in the buying, selling, or handling of grain in any public local grain warehouse or for and for any agent of the person, firm, or corporation, operating the same, to enter into any contract, agreement, combination, or understanding, with any other person, firm, or corporation owning or operating any other public local grain warehouse at any railway station, with their agents, whereby the amount of grain to be received or handled by the warehouses, at such station, shall be equalized or pooled between the warehouses or whereby the profits or earnings derived from these warehouses shall be divided, pooled, or apportioned, or whereby the price to be paid for any kind of grain at such station shall be fixed or in any manner affected, and each day of the continuance of such agreement, contract, or understanding shall constitute a separate offense.

[1923 c 114 s 10; 1943 c 345 s 11] (5068)

232.12 REPORTS TO BE FILED. Every such public local grain warehouseman shall, on or before the tenth day of June of each year, render to the commission on blanks or forms prepared by it, an itemized and verified report of all business transacted by him under such license during the year beginning June 1st of the preceding year and ending May 31 of the current year.

Such report shall state the gross bushels of all grain of various kinds in the warehouse at the beginning of the year, the net bushels and dockage of all grain received, the net bushels and dockage of all grain shipped or delivered from such warehouse and the gross bushels of all grain remaining in the warehouse at the end of the year, and such report shall particularly specify and account for any overage or shortage in any kind of grain accruing during the year; flour, cereal and feed mills and maltheuses, doing a manufacturing business, shall be only required to render a report showing gross bushels of all grain on hand at the beginning of the year, net bushels and dockage of grain received, and gross bushels milled, as well as gross bushels on hand at the end of the year.

All public local grain warehousemen engaged in the handling or sale of any other commodity than grain shall keep an entirely separate account of their grain business and under no circumstances shall their grain account and other accounts be mixed.

The commission may require special reports from such warehousemen at such times as the commission may deem expedient.

No license shall be issued to any public local grain warehouseman who has failed to make the annual report as required herein.

The commission may cause each warehouse and the business thereof and the mode of conducting the same to be inspected by one or more of its members or by its authorized agent when deemed proper, and the property, books, records, accounts, papers, and proceedings of every such public local grain warehouseman shall at all times during business hours be subject to such inspection. The expense incurred by the commission in carrying out the provisions of this section shall be paid out of the state grain inspection fund.

[1923 c 114 s 12; 1937 c 296 s 5; 1943 c 345 s 13] (5070)

232.13 LICENSES; APPLICATION, FEE. Before receiving any grain in any public local grain warehouse for storage, the person, firm, or corporation operating the same shall first apply to and secure from the commission a grain storage license for such warehouse. A license fee of \$10 shall be paid to the commission for each license issued and shall be deposited in the state treasury and credited to the general revenue fund. All such licenses shall expire at midnight on the 30th day of June, following their issuance.

Before any such license is issued, the public local grain warehouseman shall file with the commission a bond in such sum as the commission may prescribe, which sum shall not be less than \$1,500. Such bonds shall be filed annually and cover the period of the license. Such bonds shall run to the State of Minnesota and be for the benefit of all persons storing grain in such warehouse. They shall be conditioned upon the faithful performance by the public local grain warehouseman of all the provisions of law relating to the storage of grain by such warehouseman and the rules and regulations of the said commission relative thereto. The commission is authorized to require such increases in the amount of such bonds from time to time as it deems necessary for the protection of the storage receipt holders. The surety on such bonds shall be a surety company authorized to transact business in the State of Minnesota.

Only one bond need be given for any line of elevators, mills, or warehouses owned, controlled, or operated by one individual, firm or corporation.

Every such bond shall specify the location of each public local grain warehouse intended to be covered thereby and shall at all times be in a sufficient sum to protect the holders of outstanding storage receipts.

Any public local grain warehouseman who shall violate the provisions of this section shall forfeit to the state for each violation the sum of \$50 and such violation shall be cause for revocation of license.

[1923 c 114 s 13; 1937 c 296 s 6; 1943 c 345 s 14; 1955 c 820 s 21] (5071)

232.14 TERMINATION OF LICENSES. Storage contracts on grain in store at public local grain warehouses shall terminate on June 30 of each year, except storage contracts on shelled corn, which shall terminate on March 31 of each year. Storage on any or all such grain may be terminated by the owner at any time before the date mentioned in this section by the payment or tender of all legal charges and the surrender of the storage receipt together with a demand for delivery of such grain, or notice to the public local grain warehouseman to sell the same. In the absence of a demand for delivery, order to sell, or mutual agreement for the renewal of the storage contract, entered into prior to the expiration of such original

storage contract, the licensed warehouseman shall, upon the expiration of such contract, sell such stored grain at the local market price on the close of business on that day, deduct from the proceeds thereof all legal accrued charges, and pay the balance of such proceeds to the owner upon surrender of the storage receipt.

[1923 c 114 s 14; 1927 c 296 s 7; 1943 c 345 s 15] (5072)

232.15 NEW STORAGE RECEIPT. Upon the payment of all legally accrued charges and the return of the storage receipt, the public local grain warehouseman and the storage receipt holder may by mutual consent enter into an agreement for the removal of such storage. When such agreement is made, the warehouseman shall issue a new storage receipt to the owner and cancel the former receipt by indorsing thereon the words "Canceled by the issuance of storage receipt No.," inserting the number of the new storage receipt thereon. The canceled storage receipt shall be signed by the warehouseman, his agent, or manager, and the holder.

[1923 c 114 s 15; 1943 c 345 s 16] (5073)

232.16 DISCRIMINATION PROHIBITED. No person, firm, or corporation, operating a public local grain warehouse licensed by the commission to store grain, shall discriminate in the charges made or the services rendered to the owners of stored grain, nor shall he discriminate in the receiving of grain offered for storage.

[1923 c 114 s 16; 1943 c 345 s 17] (5074)

232.17 GRAIN DELIVERED CONSIDERED SOLD. All grain delivered to a public local grain warehouseman shall be considered sold at the time of delivery, unless arrangements shall have been made with such licensed public local grain warehouseman prior to or at the time of delivery thereof to apply the same on contract, for shipment or consignment, or for storage.

[1923 c 114 s 17; 1943 c 345 s 18] (5075)

232.18 MUST ISSUE SCALE TICKETS. Every public local grain warehouseman, upon receiving grain into his warehouse, shall issue for each load of grain so received a uniform scale ticket. Such tickets shall be bound in books of convenient size, shall be consecutively numbered and provisions be made in said books for at least one carbon copy of each ticket. One carbon copy of each ticket shall not be detached from said book and shall remain in the possession of the public local grain warehouseman as a permanent record. The original ticket shall be delivered to the person from whom grain is received upon receipt of each load of such grain. Such tickets shall have printed across the face "This is a memorandum, non-negotiable, possession of which does not signify that settlement has or has not been consummated." Such tickets shall state specifically whether such grain is received on contract, for storage, or for shipment on consignment, or sold. If such grain is received on contract or sold the price shall be indicated on such ticket. All such tickets shall be signed by the public local grain warehouseman, or his agent or manager.

[1923 c 114 s 18; 1943 c 345 s 19] (5076)

232.19 PENALTIES FOR VIOLATIONS. Any person, firm, or corporation or any officer or agent of either thereof who shall violate the provisions of section 232.11 shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than \$50 or more than \$100 and by imprisonment in the county jail for not less than 30 days or more than three months. It shall be the duty of the commission whenever it finds after a hearing that any of the provisions contained in sections 232.01 to 232.18 have been violated by any person holding a license to operate a public local grain warehouse in this state to revoke such license, and in such case no new license shall be granted to the person whose license is so revoked nor to anyone either directly or indirectly engaged with him in said business for the period of one year.

[1923 c 114 s 11; 1943 c 345 s 12] (5069)