

CHAPTER 232

PUBLIC LOCAL GRAIN WAREHOUSES

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232.01 LOCAL GRAIN WAREHOUSES.

Subdivision 1. All elevators, flour, cereal and feed mills, malhouses or warehouses in which grain belonging to persons other than the warehouseman is received for storage, situate at any location other than Minneapolis, St. Paul or Duluth, shall be known as public local grain warehouses and shall be under the supervision and subject to the inspection of the department of agriculture. Provided, however, that nothing herein contained shall be construed as applying to public terminal warehouses as defined in section 233.01, subdivision 3.

Subd. 2. All elevators, flour, cereal and feed mills, malhouses or warehouses, in which grain belonging to persons other than the warehouseman is received for purchase but is not received for storage, shall be known as private local grain warehouses and shall be under the supervision and subject to the inspection of the department.

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 [Repealed, 1951 c 110 s 1]

History: 1923 c 114 s 1; 1937 c 296 s 1; 1943 c 345 s 1; 1949 c 478 s 1; 1967 c 318 s 2; 1971 c 25 s 67; 1979 c 332 art 1 s 72 (5059)

232.02 LICENSES; REGULATION.

Subdivision 1. Any person, firm, or corporation, operating a public or private local grain warehouse shall be licensed to buy grain annually by the department. Application for license must be filed with the department and the license issued before transacting warehouse business. The fee shall be \$25 for each private local grain warehouse license issued and a license shall be required for each warehouse operated. For the purpose of distributing the work of issuing licenses, the department may, beginning July 1, 1968, and until July 1, 1970, issue the licenses provided for in this section for periods of not less than three months nor more than twelve months and prorate the fee for such license according to the length of time for which the license is issued. Thereafter, licenses shall expire one year from the date of issuance.

Subd. 2. Any person, firm or corporation operating a public local grain warehouse shall be licensed annually by the department; said license shall cover both the buying and storing of grain. Application for such license must be filed with the department and the license issued before the licensee may either buy or store grain. For the purpose of distributing the work of issuing licenses, the department may, beginning July 1, 1968, and until July 1, 1970, issue the licenses provided for in this section for periods of not less than three months nor more than twelve months and prorate the fee for such licenses according to the length of time for which the license is issued. Thereafter, all licenses shall expire one year from the date of issuance. The fee for the issuance of such license shall be as follows: for all warehouses under 100,000 bushels capacity — \$30; if the capacity is 100,000 bushels or over but under 500,000 bushels — \$45; if the

capacity is 500,000 bushels or over — \$60. The fees collected under this section shall be paid into the state treasury and credited to the general fund. Such license shall be revocable by the department for cause upon notice and hearing. All licenses, grade rules, and all rules regulating public or private 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 department before transacting such business and shall be subject to the same laws, rules, and regulations as may govern local grain warehousemen insofar as they may apply. The fee for each such buyer's license shall be \$20. For the purpose of distributing the work of issuing licenses, the department may, beginning July 1, 1968, and until July 1, 1970, issue the licenses provided for in this section for periods of not less than three months nor more than twelve months and prorate the fee for such licenses according to the length of time for which the license is issued. Thereafter, all licenses shall expire one year from the date of issuance. Truck grain buyers using trucks or tractor-trailer units shall obtain a separate license for each truck or tractor-trailer unit used in such grain buying. Before any license shall be issued the applicant therefor shall file with the department a bond to the state with a corporate surety, approved by the department, in a penal sum to be prescribed by the department, but not less than \$3,000 for each such truck and not less than \$5,000 for each tractor-trailer unit used in grain buying, 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 department 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 department, 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 department within six months from breach of the conditions of the bond.

Subd. 6. If the department 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 department 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 department'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 pur-

chasing 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 department.

History: 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; 1967 c 318 s 3-5; 1969 c 399 s 1; 1971 c 25 s 67 (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 department 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 malhouses, doing a manufacturing business.

History: 1923 c 114 s 3; 1943 c 345 s 3; 1971 c 25 s 67 (5061)

232.04 CLOSING OR DESTRUCTION OF WAREHOUSE.

In case of loss or destruction by fire or other cause of any licensed public local grain warehouse, the licensee shall immediately notify the department in writing.

Whenever a warehouse is closed for more than 48 consecutive hours, not including Sundays and legal holidays, the warehouseman 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 warehouse business.

History: 1923 c 114 s 4; 1937 c 296 s 3; 1943 c 345 s 4; 1971 c 25 s 67; 1977 c 364 s 8 (5062)

232.05 [Repealed, 1974 c 548 s 32]

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. 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 Minnesota board of grain standards, 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.

Charges for receiving, insuring, handling, storing and redelivering grain must be posted in a prominent place in the warehouse and filed with the Minnesota public utilities commission.

Each legal warehouse storage receipt shall contain either on its face or reverse side the following specific warehouse and storage contract:

This grain is received, insured and stored through the date of the expiration of the annual licenses of this warehouse and terms expressed in the body of this receipt shall constitute due notice to the holder thereof of the expiration 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 filed with the commission. All charges 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. 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 all 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, from any licensed and bonded warehouse within this state.

Subd. 2. Receipt record. A receipt record stating number and date of receipt, gross weight, dockage and net weight shall remain in the possession of the person, firm, or corporation issuing the receipt and shall be open for inspection by the department or interested parties. The receipts 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 receipt 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 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 a receipt shall be held liable to the owner for the delivery of the kind, grade and net quantity of grain called for by the receipt. For the purposes of this subdivision, "grain" means any commodity for which standards have been established by the Minnesota board of grain standards or the secretary of agriculture of the United States.

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 Minnesota board of grain standards 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 department 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 department 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.

History: 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; 1967 c 318 s 6,7; 1971 c 25 s 67; 1975 c 87 s 1-3; 1977 c 364 s 9; 1980 c 614 s 123 (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 redelivered or purchased by such public local grain warehouseman:

Form of Receipt

Received from....., the sum of \$..... or bushels in full satisfaction of the obligation represented by this warehouse 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 commodity for which this storage receipt was issued, and that there are no liens, chattel mortgages, or other claims against the commodity represented by this warehouse receipt.

Signed

Dated 19....

Accepted.....
warehouseman

Signature of this form by the depositor constitutes a valid cancellation of the obligation embraced in the storage contract.

History: 1923 c 114 s 6; 1943 c 345 s 7; 1967 c 318 s 8; 1975 c 87 s 4 (5064)

232.08 GRAIN, DELIVERY ON STORAGE RECEIPT.

Subdivision 1. 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 and 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.

Subd. 2. 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 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 Minnesota department of agriculture, 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. Before the results of the inspection are released to the person requesting the inspection, said person shall make payment of the required fee. The fee charged shall be the same as that required for similar services rendered by the grain inspection program.

Subd. 3. Each public local grain warehouseman shall post in a conspicuous place within his warehouse the text of subdivisions 2 and 3.

History: 1923 c 114 s 7; 1943 c 345 s 8; 1955 c 413 s 1; 1971 c 25 s 67; 1974 c 548 s 30 (5065)

232.09 WAREHOUSEMAN SHALL KEEP RECORD.

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

History: 1923 c 114 s 8; 1943 c 345 s 9; 1967 c 318 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.

History: 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.

History: 1923 c 114 s 10; 1943 c 345 s 11 (5068)

232.12 REPORTS TO BE FILED.

Every public or private local grain warehouseman shall render to the department on blanks or forms prescribed by it such reports as the department reasonably may require.

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.

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

The department 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 or private local grain warehouseman shall at all times during business hours be subject to such inspection.

History: 1923 c 114 s 12; 1937 c 296 s 5; 1943 c 345 s 13; 1967 c 318 s 10; 1969 c 9 s 57; 1971 c 25 s 67 (5070)

232.13 BONDS.

Before any license is issued, the public local grain warehouseman shall file with the department a bond in such sum as the department may prescribe, which sum shall not be less than \$1,500. Such bonds shall run to the state of Minnesota for the benefit of all persons storing grain in such warehouse, or selling grain to such warehouseman. 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 department relative thereto, and further conditioned that the applicant will pay to the owner on demand the purchase price of grain sold to the applicant. Before any license is issued to a private local grain warehouseman, the applicant shall file with the department a bond in such sum as the department may prescribe, which sum shall not be less than \$1,500. Such bonds shall run to the state of Minnesota for the benefit of all persons selling grain to such private local grain warehouseman. They shall be conditioned that the applicant will pay to the owner on demand the purchase price of grain sold to the applicant. The department 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. The bond shall not cover transactions wherein it appears to the department 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 department, 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 department within six months from breach of the conditions of the bond. Termination of coverage of a bond or other acceptable collateral shall void the license.

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.

History: 1923 c 114 s 13; 1937 c 296 s 6; 1943 c 345 s 14; 1955 c 820 s 21; 1967 c 318 s 11; 1969 c 856 s 2; 1969 c 1031 s 7; 1971 c 25 s 67 (5071)

232.14 TERMINATION OF STORAGE CONTRACT.

Storage contracts on grain in store at public local grain warehouses shall terminate on the expiration date of the storage license under which said warehouse operates, such expiration date must be plainly imprinted on each storage receipt issued by every public local grain warehouse. 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.

History: 1923 c 114 s 14; 1927 c 296 s 7; 1943 c 345 s 15; 1967 c 318 s 12 (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 renewal 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.

History: 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 department 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.

History: 1923 c 114 s 16; 1943 c 345 s 17; 1971 c 25 s 67 (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.

History: 1923 c 114 s 17; 1943 c 345 s 18 (5075)

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232.18 MUST ISSUE SCALE TICKETS.

Every public or private 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 consecutively numbered. One carbon copy of each ticket shall remain in the possession of the public or private 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 or private local grain warehouseman, or his agent or manager.

History: 1923 c 114 s 18; 1943 c 345 s 19; 1967 c 318 s 13 (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 sections 232.01 to 232.18 shall be guilty of a misdemeanor. The department may, 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, suspend or revoke such license, and in case of a revocation, 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.

History: 1923 c 114 s 11; 1943 c 345 s 12; 1969 c 9 s 61; 1969 c 792 s 1; 1971 c 25 s 67 (5069)