

## CHAPTER 226

## PACKING HOUSE CERTIFICATES

226.01	Certificates on products; sale.	226.04	Property in warehouse.
226.02	Interest in warehouse; certified copy.	226.05	Penalties.
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**226.01 CERTIFICATES ON PRODUCTS; SALE.**

A person who slaughters cattle, sheep, or hogs, deals in their products, and owns or controls the building in which that business is conducted or those commodities are stored, may issue warehouse certificates for any of the commodities actually in store and may sell, assign, transfer, pledge, or encumber the commodities to the amount described in the certificate. A certificate must contain the name and address of the person issuing it, the location of the warehouse, the date of issue, the quantity of each commodity, and its brand or mark of identification, if any, and must be signed by the person issuing the certificate.

**History:** 1989 c 197 art 1 s 1

**226.02 INTEREST IN WAREHOUSE; CERTIFIED COPY.**

Before issuing a warehouse certificate under section 226.01, the person issuing it shall file with the county recorder of the county where the warehouse is located a written declaration stating the person's name and residence, that the person intends to control a warehouse for the storage and sale of commodities covered by section 226.01, a correct description of the warehouse, its location, and the name of any other person interested in the warehouse. It must be signed, acknowledged, and recorded in a book kept for that purpose. A certified copy of it must be filed with the clerk of the city or town in which the business is conducted and kept in the same manner as chattel mortgages are required to be filed and kept. The party making the declaration must be indexed as the vendor and the public as the vendee.

**History:** 1989 c 197 art 1 s 1

**226.03 STATEMENT PRINTED ON BACK.**

A certificate issued under section 226.01 must have printed on its back a statement that the party issuing it has complied with the law, and must give the book, page, and place where the record of the declaration under section 226.02 may be found and the day of filing. The certificate, when issued and delivered, must transfer to the holder the title to the commodities described in it and be assignable by endorsement, and is then prima facie evidence of title to the commodities in the endorsee. It must be registered by the party issuing it in a book kept for that purpose, which must show the date, the number, the name of the party to whom it was issued, the kind and quantity of the commodities, and any brands or marks on the commodities. It must be open to inspection by a person holding an outstanding certificate in force or the person's agent or attorney. When the commodity specified in the certificate has been delivered or the certificate has become inoperative, that fact, with the date of delivery or other termination of liability, must be entered in the register in connection with the entry of its issuance.

**History:** 1989 c 197 art 1 s 1

**226.04 PROPERTY IN WAREHOUSE.**

No person may issue a warehouse certificate under section 226.01 unless the property described in it is actually in the warehouse. The property must remain there until otherwise ordered by the holder of the certificate, subject to the conditions of the contract between the warehouse operator and the person to whom the certificate was issued, or the person's assigns, as to the time of the property's remaining in the

warehouse. No second certificate may be issued for the same property or any part of it while the first is outstanding and in force, nor shall the property be sold, encumbered, shipped, transferred, or removed by the warehouse operator without the written consent of the certificate holder.

**History:** 1989 c 197 art 1 s 1

#### **226.05 PENALTIES.**

A person who (1) willfully alters or destroys a register of warehouse certificates issued under section 226.01 or issues a receipt of certificates without entering and preserving in the book the registered memorandum; (2) knowingly issues a certificate under section 226.01 when the commodities described are not in the warehouse; (3) issues, with intent to defraud, a second or other certificate for which a former valid certificate is outstanding; (4) sells, encumbers, ships, transfers, or removes from the warehouse certified property or knowingly permits it to be done without the written consent of the certificate holder; or (5) knowingly receives or helps to remove certified property, is guilty of a felony and must be punished by imprisonment in the Minnesota correctional facility-Stillwater for not more than five years or by a fine of not more than \$20,000.

**History:** 1989 c 197 art 1 s 1

#### **226.06 VIOLATIONS; DAMAGES WHEN INJURED BY.**

A person injured by a violation of sections 226.03 and 226.04 may recover the actual damages sustained. If the violation was willful, the person injured may also recover exemplary damages not exceeding double the actual damages. Exemplary damages must be found by special verdict.

**History:** 1989 c 197 art 1 s 1