

**HOUSE BILL NO. 1167**

Introduced by

Agriculture Committee

(At the request of the Public Service Commission)

1 A BILL for an Act to amend and reenact section 60-02-11, subsection 6 of section 60-02-16,  
2 sections 60-02-17, 60-02-24, 60-02-30, 60-02-31, and 60-02-32, and subsection 4 of section  
3 60-02-40 of the North Dakota Century Code, relating to the conversion of warehouse scale  
4 tickets, termination of warehouse storage contracts, and filing of monthly reports; and to repeal  
5 section 60-02-37 of the North Dakota Century Code, relating to notification to the public service  
6 commission of the destruction of a warehouse.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1. AMENDMENT.** Section 60-02-11 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10 **60-02-11. Scale ticket - Contents - Conversion.**

11 1. Every public warehouseman, upon receiving grain into its warehouse, shall issue a  
12 uniform scale ticket for each load of grain received. Such tickets must be  
13 numbered consecutively, and one copy of each ticket must be retained and remain  
14 as a permanent record. The original ticket must be delivered to the person from  
15 whom the grain is received, upon receipt of each load of grain. All scale tickets  
16 must be converted into cash, noncredit-sale contracts, credit-sale contracts, or  
17 warehouse receipts within ~~thirty~~ forty-five days after the grain is delivered to the  
18 warehouse.

19 2. Nothing in this chapter requires a warehouseman to receive grain for storage. A  
20 warehouseman shall publish and post, in a conspicuous place in its warehouse, a  
21 publication identifying whether storage will be available to its patrons or whether  
22 grain will be accepted via cash or a credit-sale contract arrangement.

23 **SECTION 2. AMENDMENT.** Subsection 6 of section 60-02-16 of the North Dakota  
24 Century Code is amended and reenacted as follows:

1           6. Have printed upon it the following words: "All storage contracts on grain in store at  
2           public grain warehouses ~~shall terminate on June thirtieth of each year, except~~  
3           ~~storage contracts for dry edible beans which shall terminate on April thirtieth of~~  
4           ~~each year \_\_\_\_\_~~, as identified in the publication required by section 60-02-17.  
5           If storage charges and warehouseman's advances remain unpaid at the time of  
6           ~~such~~ termination, the warehouseman ~~shall~~ may sell a sufficient amount of ~~said~~  
7           grain to pay ~~such~~ the charges and advances. The ~~holder hereof~~ receiptholder  
8           shall surrender ~~this~~ the receipt to the issuing warehouseman for settlement."

9           **SECTION 3. AMENDMENT.** Section 60-02-17 of the North Dakota Century Code is  
10          amended and reenacted as follows:

11           **60-02-17. Warehouse and storage contract - Storage rates - Terminal delivery.** A  
12          warehouse receipt must contain, either on its face or reverse side, the following warehouse and  
13          storage contract:

14           This grain is received, insured, and stored subject to the laws and rules of the state of  
15           North Dakota, the terms of this contract, and the charges and conditions stated herein  
16           and as filed with the North Dakota public service commission. Upon surrender of this  
17           receipt and payment or tender of all applicable charges, the amount, kind, and grade of  
18           grain identified in this receipt will be delivered to the person named above or the  
19           person's order as rapidly as due diligence, care, and prudence will permit. At the option  
20           of the holder of this receipt, the amount, kind, and grade of grain for which this receipt is  
21           issued, upon demand, must be delivered back to the holder at any terminal point  
22           customarily shipped to, or at the place where received, upon the payment of any  
23           charges for receiving, handling, storage, and insurance and in case of terminal delivery,  
24           the payment in addition to the above of the regular freight charges on the gross amount  
25           called for by this ticket or in lieu thereof, a receipt issued by a bonded warehouse or  
26           elevator company doing business at the terminal point. Nothing in this receipt requires  
27           the delivery of the identical grain specified herein, but an equal amount of grain of the  
28           same kind and grade must be delivered.

29          A warehouseman shall publish and post, in a conspicuous place in its warehouse, the fees that  
30          will be assessed for receiving, storing, processing, or redelivering grain and the termination  
31          date of its warehouse receipts. This ~~fee schedule~~ publication must be filed with the commission

1 as a part of ~~its~~ the warehouse license application or annual renewal. ~~These~~ The fees and  
2 termination date must be stated on the warehouse receipt issued for the grain. The fees or  
3 termination date may be changed upon filing a revised ~~schedule~~ publication with the  
4 commission.

5 **SECTION 4. AMENDMENT.** Section 60-02-24 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **60-02-24. Reports to be made by public warehouseman - Penalty for failure.** Each  
8 licensed and bonded public warehouseman shall:

- 9 1. Prepare for each month a report giving facts and information called for on the form  
10 of report prepared by the commission. The report must contain or be verified by a  
11 written declaration that it is made under the penalties of perjury. The report may  
12 be called for more frequently if the commission deems it necessary. Information  
13 pertaining to the volume of grain handled is a confidential trade secret and is not a  
14 public record. The commission may make the information available for use by  
15 other governmental entities, but the commission may not release the information in  
16 a manner that jeopardizes the confidentiality of individual licensees.
- 17 2. File the report with the commission not later than the last day of the following  
18 month, and failure to file this report promptly will be considered cause for revoking  
19 the warehouse license after due notice and hearing.
- 20 3. Keep a separate account of the grain business, if the warehouseman is engaged in  
21 handling or selling any other commodity, and under no circumstances shall the  
22 grain account and other accounts be mixed.

23 ~~No~~ The commission may refuse to renew a license shall be reissued to any public  
24 warehouseman who fails to make a required report.

25 **SECTION 5. AMENDMENT.** Section 60-02-30 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27 **60-02-30. Termination of public grain warehouse storage contracts.** All storage  
28 contracts terminate on the date identified in the publication required by section 60-02-17. If a  
29 different termination date is not identified in the publication, then all storage contracts on grain  
30 in store at public grain warehouses terminate on June thirtieth of each year, except for storage  
31 contracts on dry edible beans which terminate on April thirtieth of each year. Storage on any or

1 all grain in storage at public grain warehouses may be terminated by the owner at any time  
2 before the applicable date ~~mentioned herein~~ by the payment of all legal charges and the  
3 surrender of the warehouse receipt, together with a demand for delivery of the grain in storage,  
4 or notice to the warehouseman to sell the stored grain. ~~In the absence of a demand for~~  
5 ~~delivery, an order to sell, or a request for the renewal of the storage contract, entered into prior~~  
6 ~~to the expiration of the storage contract, for all grains except dry edible beans, the~~  
7 ~~warehouseman shall sell, upon the expiration of the storage contract and compliance with~~  
8 ~~section 60-02-31, at the local market price on the close of business on that day, sufficient~~  
9 ~~amounts of the stored grain to satisfy all accrued storage charges thereon and~~  
10 ~~warehouseman's advances upon the storage contract, and shall issue a new warehouse receipt~~  
11 ~~for the balance of the grain in storage to the owner thereof upon the surrender of the old~~  
12 ~~warehouse receipt, properly canceled. Upon the expiration of the storage contract for dry edible~~  
13 ~~beans, the warehouseman is not obligated to renew the storage contract. In the absence of a~~  
14 ~~demand for delivery, an order to sell, or an agreement between the warehouseman and the~~  
15 ~~receipt holder for the storage of dry edible beans after April thirtieth~~ the termination date of the  
16 storage contract, the warehouseman may sell, upon the expiration of the storage contract, at  
17 the local market price on the close of business on that day, all ~~the stored beans~~ grain of the  
18 receipt holder and tender to the receipt holder the proceeds of the sale, ~~less an amount which~~  
19 ~~will satisfy all~~ accrued storage charges thereon and the warehouseman's advances upon any  
20 previous storage contract.

21 **SECTION 6. AMENDMENT.** Section 60-02-31 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **60-02-31. Notice to owner of termination of storage contract.** ~~On or before June~~  
24 ~~first of each year, for all grains except dry edible beans~~ At least thirty days before the  
25 termination date of a storage contract, the warehouseman shall notify the receipt holder by mail  
26 ~~the person in whose name the grain was stored of the termination of the storage contract on~~  
27 ~~June thirtieth and the warehouseman's intention to sell a sufficient amount of the stored grain~~  
28 ~~on June thirtieth to satisfy accrued storage charges unless the receipt holder prior to that time~~  
29 ~~demands redelivery, authorizes sale, or continues the storage contract. On or before April first~~  
30 ~~of each year, a warehouseman storing dry edible beans shall notify by mail the person in whose~~  
31 ~~name the dry edible beans are stored~~ of the warehouseman's intention to terminate the storage

1 contract on ~~April thirtieth, or at a later~~ the date pursuant to an agreement between the  
2 warehouseman and the receipt holder for the storage of dry edible beans after April thirtieth,  
3 identified on the storage contract and ~~to sell all dry edible beans~~ grain stored as of that date,  
4 unless the receipt holder prior to that time demands redelivery, authorizes sale, extends the  
5 storage contract, or enters into a new contract with the warehouseman for restorage. Failure to  
6 comply with this section ~~shall result~~ results in the forfeiture of storage charges accrued for the  
7 grain during the previous twelve months.

8 **SECTION 7. AMENDMENT.** Section 60-02-32 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10 **60-02-32. Reissue warehouse receipts - Provisions.** Upon payment of all legal  
11 accrued charges and the surrender to the warehouseman of a receipt, ~~for all grains except dry~~  
12 ~~edible beans~~, if the receipt holder ~~elects~~ and the warehouseman agree to continue the storage  
13 contract, the warehouseman then ~~shall~~ may extend the storage contract or issue a new  
14 warehouse receipt to the owner and ~~shall~~ cancel the former receipt by endorsing thereon the  
15 words: "Canceled by the issuance of warehouse receipt no. \_\_\_\_\_", inserting the number  
16 of the reissue warehouse receipt thereafter, and the holder's name shall be signed thereto by  
17 the holder or by the holder's authorized agent. The reissue warehouse receipt shall be so  
18 designated by stamping thereon: "Reissue of warehouse receipt no. \_\_\_\_\_".

19 **SECTION 8. AMENDMENT.** Subsection 4 of section 60-02-40 of the North Dakota  
20 Century Code is amended and reenacted as follows:

21 4. Transfer all stored grain undelivered at the expiration of such thirty-day period to its  
22 successor, if licensed, or to the nearest licensed warehouse for restorage, taking  
23 receipts for the same in favor of the owner of the grain so transferred, ~~such~~  
24 ~~warehouse receipts to be filed with the commission until called for by the owner.~~

25 **SECTION 9. REPEAL.** Section 60-02-37 of the North Dakota Century Code is  
26 repealed.