

CHAPTER 7-18-02 LICENSING

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7-18-02-01. License application.

An application for all licenses must be submitted online on the site provided by the commissioner. Every business organization or sole proprietor using a trade name other than its given name must be registered and in good standing with the secretary of state. The application must be complete and must include:

1. The required license fees.
2. A surety bond, which is signed by principal and surety company with valid power of attorney.
3. A copy of any receipt or credit sale contract to be used by the licensee.
4. Certificate of continuous insurance in the required amount, if applicable.

History: Effective January 1, 2022.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDDC 60-02-07, 60-02.1-07

7-18-02-02. Financial requirements.

1. All license types must meet the following requirements based on purchased grain amount:
 - a. Purchases less than one million: one hundred thousand dollars net worth.
 - b. Purchases more than one million less than ten million: two hundred fifty thousand dollars net worth.
 - c. Purchases more than ten million: five hundred thousand dollars net worth.
 - d. Working capital ratio of at least 1.0.
2. For any licensee unable to meet these requirements the commissioner may:
 - a. Deny a license;
 - b. Require additional capital or net worth before approving license; and
 - c. Require additional bonding to cover capital or net worth shortfall.

History: Effective January 1, 2022.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-06.2, 60-02.1-06.2

7-18-02-03. License renewal.

A license expires on July thirty-first of each year. A licensee shall submit a renewal application to the commissioner by July fifteenth online on the site provided by the commissioner. Every business

organization or sole proprietor using a trade name must be in good standing with the secretary of state. An application that is not received renewed by July thirty-first will result in the expiration of the license on August first. Operation with an expired license must be treated as operation without a license and must be handled pursuant to North Dakota Century Code sections 60-02-12 and 60-02.1-13.

History: Effective January 1, 2022.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-07, 60-02.1-07

7-18-02-04. Business documents.

All licensees promptly shall notify the commissioner of a change in ownership, name, corporate structure, or format of any receipt or credit sale contract.

History: Effective January 1, 2022.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-03, 60-02.1-03

7-18-02-05. Physically disconnected lease space.

Grain warehouses that have facilities that are physically disconnected from licensed facilities may be leased to other entities for nonpublic use. These leased facilities are not part of the license. The lessee is responsible for its own content insurance, if any. The licensee need not bond the space. In the case of licensee insolvency, the contents of the leased facility are not a trust fund asset and the lessee is not entitled to protection for grain held therein. If the leased facility is owned by the licensee, lease agreements must be on file at the warehouse.

History: Effective January 1, 2022.

General Authority: NDCC 60-02-03

Law Implemented: NDCC 60-02-09

7-18-02-06. Universal nonpublic use.

If an entire facility is owned under condominium arrangement or is leased to other entities for nonpublic use, the facility is not a public warehouse and license is not required.

History: Effective January 1, 2022.

General Authority: NDCC 60-02-03

Law Implemented: NDCC 60-02-44