

CHAPTER 223

GRAIN BUYERS

<p>223.17 Licenses; bonding; claims; disbursements.</p> <p>223.177 Purchase by voluntary extension of credit contracts.</p>	<p>223.19 Rules.</p>
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223.17 LICENSES; BONDING; CLAIMS; DISBURSEMENTS.

[For text of subs 1 and 2, see M.S.1996]

Subd. 3. Grain buyers and storage fund; fees. The commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. These fees may be adjusted pursuant to the provisions of section 16A.1285.

The fee for any license issued or renewed after June 30, 1997, shall be set according to the following schedule:

- (a) \$100 plus \$50 for each additional location for grain buyers whose gross annual purchases are less than \$100,000;
- (b) \$200 plus \$50 for each additional location for grain buyers whose gross annual purchases are at least \$100,000, but not more than \$750,000;
- (c) \$300 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;
- (d) \$400 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and
- (e) \$500 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.

There is created in the state treasury the grain buyers and storage fund. Money collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and credited to the grain buyers and storage fund and is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.22.

Subd. 4. Bond. Before a grain buyer's license is issued, the applicant for the license must file with the commissioner a bond in a penal sum prescribed by the commissioner but not less than the following amounts:

- (a) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;
- (b) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but not more than \$750,000;
- (c) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;
- (d) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and
- (e) \$50,000 for grain buyers whose gross annual purchases exceed \$3,000,000. A grain buyer who has filed a bond with the commissioner prior to July 1, 1983 is not required to increase the amount of the bond to comply with this section until July 1, 1984. The commissioner may postpone an increase in the amount of the bond until July 1, 1985, if a licensee demonstrates that the increase will impose undue financial hardship on the licensee, and that producers will not be harmed as a result of the postponement. The commissioner may impose other restrictions on a licensee whose bond increase has been postponed. The amount of the bond shall be based on the most recent financial statement of the grain buyer filed under subdivision 6.

A first-time applicant for a grain buyer's license after July 1, 1983 shall file a \$20,000 bond with the commissioner. This bond shall remain in effect for the first year of the license. Thereafter, the licensee shall comply with the applicable bonding requirements contained in clauses (a) to (e).

In lieu of the bond required by this subdivision the applicant may deposit with the state treasurer cash, a certified check, a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit as defined in section 336.5-102, in the same amount as would be required for a bond.

[For text of subds 5 to 9, see M.S.1996]

History: 1997 c 11 art 2 s 9; 1997 c 216 s 126

223.177 PURCHASE BY VOLUNTARY EXTENSION OF CREDIT CONTRACTS.

[For text of subds 1 to 3, see M.S.1996]

Subd. 4. Grain, rights, or proceeds held. A licensed grain buyer purchasing grain by voluntary extension of credit contracts shall at all times maintain grain, rights in grain, or proceeds from the sale of grain totaling 90 percent of the grain buyer's obligation for grain purchased by voluntary extension of credit contracts. That amount must be evidenced or represented by one or more of the following:

- (a) grain owned and actually held by the grain buyer in a grain warehouse owned or controlled by the grain buyer;
- (b) rights in grain evidenced or represented by warehouse receipts issued by a state or federally licensed grain warehouse;
- (c) cash on hand or cash held on account in federally or state licensed institutions;
- (d) short-term investments held in time accounts with federally or state licensed institutions;
- (e) balances on grain margin accounts;
- (f) voluntary extension of credit contracts for grain shipped to a processor or terminal as purchaser, less any payment or advance that has been received;
- (g) an irrevocable letter of credit, as defined in section 336.5-102; or
- (h) other evidence of proceeds from the sale of grain acceptable to the commissioner.

[For text of subds 5 to 8, see M.S.1996]

History: 1997 c 11 art 2 s 9

223.19 RULES.

The commissioner may make rules pursuant to chapter 14 to carry out the provisions of sections 223.15 to 223.22.

History: 1997 c 7 art 5 s 19