

27.041 BONDS; LICENSES.

Subdivision 1. **Bonds.** (a) The applicant required to be bonded shall execute and file with the commissioner a surety bond to the state of Minnesota to be approved by the commissioner, the amount, form, and effective date to be determined by the commissioner with the maximum not to exceed \$1,000,000. In lieu of the surety bond, the commissioner may accept a duly executed letter of credit. The bond or letter of credit shall be conditioned on the faithful performance of the applicant's duties as a dealer at wholesale, including:

- (1) the observance of all laws relating to the carrying on of the business of a dealer at wholesale;
- (2) payment when due, unless it appears to the commissioner that a voluntary extension of credit has been given on the produce by the seller to the licensee beyond the due date;
- (3) the prompt settlement and payment of all claims and charges due the state for services rendered or otherwise;
- (4) the prompt reporting of sales as required by law to all persons consigning produce to the licensee for sale on commission; and
- (5) the prompt payment to the persons entitled thereto of the proceeds of the sales, less lawful charges, disbursements, and commissions.

(b) The bond shall cover all wholesale produce business subject to the protection outlined in section 27.001 which is:

- (1) transacted within this state; or
- (2) transacted in part within this state and in part within the states and provinces contiguous with this state and sold by Minnesota sellers.

Subd. 1a. **Additional bonds.** (a) The commissioner, after determining a bond given by a licensee is inadequate for the proper protection of the public, may require the licensee to give additional bonds in amounts as determined by the commissioner, with sureties to be approved by the commissioner, and conditioned as provided in this section.

(b) To set or change the amount of a bond, the commissioner may require a licensee to provide verified statements of the licensee's business.

(c) Failure of the licensee to furnish the information or to give a new or additional bond is cause for:

- (1) suspension of the licensee's license for as long as the failure continues; or

(2) revocation of the license, on ten days' notice to the licensee and opportunity to be heard.

(d) If the commissioner determines it is in the public's interest, the commissioner may suspend the license after giving notice and holding a hearing.

Subd. 2. **Licenses.** (a) The license, or a certified copy of the license, must be kept posted in the office of the licensee at each place within the state where the licensee transacts business. A wholesale produce dealer may not appoint, delegate, or authorize a person, firm, or company to purchase produce unless a certified copy, identification card, or truck decal has been issued at the request of the wholesale produce dealer to that person, firm, or company acting as the buyer or agent.

(b) A license expires June 30 following its issuance and must be renewed July 1 of each year.

(c) A license issued under this subdivision is automatically void upon the termination of the surety bond covering the licensed operation.

(d) The fee for each license must include a \$75 registration fee and an additional fee of .045 percent of the total annual dollar amount of produce purchased the previous year from sellers within the state of Minnesota subject to this chapter. Fees may not exceed \$2,000 per license. In addition, a fee of \$20 shall be charged for each certified copy of a license, \$5 for each license identification card, and \$10 for each license identification truck decal.

(e) A penalty amounting to ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

(f) A licensee who sells, disposes of, or discontinues the licensee's business during the lifetime of a license shall, at the time the action is taken, notify the commissioner in writing, and upon demand produce before the commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of the business.

History: 1975 c 227 s 7; 1981 c 356 s 265; 1983 c 293 s 52; 1986 c 444; 1987 c 358 s 83; 1990 c 530 s 11; 1Sp2001 c 2 s 42