

236.02 GRAIN BANK LICENSING; BONDING OF APPLICANTS.

Subdivision 1. **Licensing requirement.** A person who (1) operates an establishment that processes grain into feed and (2) is licensed to buy grain as a private local grain warehouse operator under section 223.17 may obtain a license to operate a grain bank. A person licensed under section 232.22 to operate a public grain warehouse is not required to obtain a separate grain bank license. No person may conduct a grain bank without a grain bank license or a public grain warehouse operator's license.

Subd. 2. **Issuance.** A grain bank license must be obtained from the department. The department may issue a grain bank license when the applicant has complied with the bond requirements of sections 236.01 to 236.09. A grain bank license is required in addition to a license to buy grain as a private local grain warehouse operator and permits the licensee to conduct a grain bank in accordance with sections 236.01 to 236.09.

Subd. 3. **Expiration; posting; revocation.** Grain bank licenses expire at midnight on June 30 each year. A license is required for each location where a grain bank is operated. Licenses are revocable by the department for cause upon notice and hearing. Licenses and rules regulating the operation of the grain bank must be posted in a prominent and easily accessible place in the grain bank.

Subd. 4. **Fees.** The license fee is \$140 for each home rule charter or statutory city or town in which a private grain warehouse is operated and which will be used to operate a grain bank. A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent. The license fee must be set by the commissioner in an amount sufficient to cover the costs of administering and enforcing this chapter. Fees collected under this chapter must be paid into the grain buyers and storage account established in section 232.22.

Subd. 5. **Bond.** A license may not be issued for the operation of a grain bank until the applicant has filed with the department a bond in a sum set by the department. The bond may not be less than \$1,500 for each license and must at all times be large enough to protect the holders of outstanding grain bank receipts. Bonds must be filed annually and cover the period of the grain bank license. Bonds must run to the state of Minnesota and be for the benefit of all persons storing grain in a grain bank. They must be conditioned upon the faithful performance by the grain bank operator of the law relating to the operation of grain banks by the grain bank operator and related rules of the department. The department may require increases in the amounts of bonds as it considers necessary for the protection of grain bank receipt holders. The surety of grain bank bonds must be a corporate surety company authorized to transact business in Minnesota.

Subd. 6. **Action on bond.** A person for whose benefit the bond is given may commence an action in district court.

Subd. 7. **Single bond.** A person who is granted a grain bank license at more than one location may, with the department's approval, file one bond covering all locations in a total amount the department requires under sections 236.01 to 236.09 and rules made under sections 236.01 to 236.09. A person, firm, or corporation licensed as a public grain warehouse operator and bonded under section 232.22 may include liability for outstanding nonnegotiable grain bank receipts under the coverage of that bond in lieu of securing a separate grain bank bond under this section.

History: 1961 c 232 s 2; 1967 c 318 s 14; 1969 c 399 s 1; 1969 c 856 s 3; 1971 c 25 s 67; 1982 c 508 s 9; 1985 c 248 s 70; 1986 c 444; 1987 c 384 art 2 s 1; 1989 c 197 art 6 s 1; 1990 c 426 art 2 s 5; 1997 c 131 s 6,7; 1999 c 231 s 173; 1Sp2005 c 1 art 1 s 88