

Introduced by

1 A BILL for an Act

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

3 **SECTION 1. AMENDMENT.** Section 36-05.1-01 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **~~36-05.1-01~~4.1-28-01. Definitions.**

6 In this chapter, unless the context otherwise requires:

- 7 1. "Commissioner" means the agriculture commissioner or the commissioner's designee.
- 8 2. "Internet livestock auction" means a place or establishment conducted or operated for  
9 compensation or profit as a public market where livestock located in this state is sold  
10 or offered for sale at a facility or website within or outside the state through the use of  
11 the internet.
- 12 3. "Livestock" means horses, mules, cattle, swine, sheep, farmed elk, and goats.
- 13 4. "Representative" means a dealer licensed under chapter 36-04 or a livestock auction  
14 market licensed under chapter ~~36-05~~4.1-27.
- 15 5. "~~Satellite video~~Video livestock auction market" means a place or establishment  
16 conducted or operated for compensation or profit as a public market where livestock  
17 located in this state is sold or offered for sale at a facility within or outside the state  
18 through the use of ~~a satellite video~~ at a public auction.

19 **SECTION 2. AMENDMENT.** Section 36-05.1-02 of the North Dakota Century Code is  
20 amended and reenacted as follows:

**~~36-05.1-024.1-28-02. Satellite video~~Video livestock auction market and internet  
auction - Authority to transact business.**

~~No satellite~~A video livestock auction market or internet livestock auction market may not  
transact business in this state unless the market transacts business through a representative  
licensed under this chapter.

**SECTION 3. AMENDMENT.** Section 36-05.1-03 of the North Dakota Century Code is  
amended and reenacted as follows:

**~~36-05.1-034.1-28-03. Application for license - Contents.~~**

1. Before entering ~~into~~ business with a ~~satellite~~ video livestock auction market or internet  
livestock auction market ~~and annually, on or before July first, each representative shall~~  
~~file an application form~~must obtain a license to transact business with a ~~satellite~~ video  
livestock auction market or internet livestock auction market by filing an application  
with the commissioner on a form prescribed by the commissioner. A license issued  
under this section expires June thirtieth after issuance and must be renewed by filing  
of a renewal application at the time and on a form prescribed by the commissioner.

The application must show:

- a. The nature of the business ~~for which applying for a license is desired;~~
  - b. The name of the representative applying for the license on behalf of the  
business;
  - c. The name and address of the ~~satellite~~ video livestock auction market or internet  
livestock auction market ~~with~~through which the applicant proposes to transact  
business; and
  - d. ~~Other~~Any other information the commissioner may require.
2. The application for a license or for a renewal of a license ~~must be accompanied~~  
~~by~~include:
    - a. A license fee of one hundred dollars;
    - b. Evidence the commissioner may require showing ~~that the satellite video livestock~~  
auction market or internet livestock auction market the representative proposes  
to do business ~~with~~through is financially responsible and bonded to transact such  
business;

- 1 c. A schedule of the fees and commissions that will be charged to owners, sellers,  
2 or their agents; and
- 3 d. A copy of the contract between the representative and the ~~satellite~~ video livestock  
4 auction market or internet livestock auction market ~~with~~through which the  
5 representative proposes to transact business. The contract must ~~contain~~;
- 6 (1) Contain a provision authorizing the commissioner ~~or the commissioner's~~  
7 ~~designee~~ to have access to the books; papers; accounts; financial records  
8 held by financial institutions, accountants, or other sources; and
- 9 (2) Contain other documents, as determined by the commissioner, relating to  
10 the activities of the ~~satellite~~ video livestock auction market or internet  
11 livestock auction market ~~and requiring the satellite video livestock auction~~  
12 ~~market or internet livestock auction market to make such documents~~  
13 ~~reasonably available upon the request of the commissioner or the~~  
14 ~~commissioner's designee. The contract must also provide; and~~
- 15 (3) Provide that the ~~satellite~~ video livestock auction market or internet livestock  
16 auction market and its representative are jointly and severally liable, with the  
17 right of contribution, for all business transacted within this state by the  
18 representative on behalf of the ~~satellite~~ video livestock auction market or  
19 internet livestock auction market.
- 20 3. If the contract between the representative and the ~~satellite~~ video livestock auction  
21 market or internet livestock auction market is terminated, rescinded, breached, or  
22 otherwise materially altered, the representative and the ~~satellite~~ video livestock auction  
23 market or internet livestock auction market shall immediately notify the commissioner.  
24 Failure to notify the commissioner of termination, rescission, breach, or material  
25 alteration of the contract between the representative and the ~~satellite~~ video livestock  
26 auction market or internet livestock auction market is deemed to be a failure to keep  
27 and maintain suitable records with the department and is deemed to be a false entry  
28 or statement of fact in an application filed with the department.

29 **SECTION 4. AMENDMENT.** Section 36-05.1-04 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1        ~~36-05.1-044.1-28-04.~~ **Use of fees - Grounds for refusal or revocation of license -**  
2        **Review by court.**

3        All fees collected by the commissioner under this chapter must be deposited in the general  
4        fund of the state treasury. A license may be refused or revoked for any reason specified in  
5        subdivision c or d of subsection 2 of section 36-04-04 or section 36-04-10, or if the contract  
6        required by this chapter between the representative and the ~~satellite~~ video livestock auction  
7        market or internet livestock auction market is extinguished, rescinded, or canceled, or is  
8        breached by either party. The action of the commissioner in denying an application for a license  
9        or revoking or suspending a license may be appealed as provided in section ~~36-05-13.1~~.

**NOTE:** The cross-reference will be updated when the revision of North Dakota Century  
      Code Chapter 36-05 is completed.

10       **SECTION 5. AMENDMENT.** Section 36-05.1-05 of the North Dakota Century Code is  
11       amended and reenacted as follows:

12       ~~36-05.1-054.1-28-05.~~ **Inspection of livestock.**

13       Before any livestock sold pursuant to this chapter is delivered, whether interstate or  
14       intrastate, the livestock must be inspected for health by a veterinarian licensed in this state and  
15       approved by the state board of animal health and, in the case of cattle, for brands by a trained  
16       brand inspector, acting under rules adopted by the North Dakota stockmen's association and  
17       the state board of animal health. The inspection must take place at the time of the initial delivery  
18       of the livestock. If livestock is destined to be shipped interstate, the authorized veterinarian shall  
19       furnish to each purchaser a certificate showing that the inspection has been made and  
20       treatment administered in accordance with the requirements of the state of destination. The  
21       services and duties of the veterinary inspector are under the supervision of the state board of  
22       animal health. Fees for the veterinary inspection must be an amount agreed upon by the  
23       representative and the veterinarian. All fees for veterinary inspection, treatment, and services  
24       must be collected by the representative and paid to the inspector.

25       **SECTION 6. AMENDMENT.** Section 36-05.1-06 of the North Dakota Century Code is  
26       amended and reenacted as follows:

27       ~~36-05.1-064.1-28-06.~~ **Method of payment.**

28       Payment to the seller for livestock sold through a ~~satellite~~ video livestock auction market or  
29       internet livestock auction market must be made in United States currency, with an instrument  
30       payable on demand drawn on a financial institution chartered and regulated by a state or the

1 federal government, or by wire transfer or other electronic form of payment from a financial  
2 institution chartered and regulated by a state or the federal government.

3 **SECTION 7. AMENDMENT.** Section 36-05.1-07 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **~~36-05.1-07~~ 36-05.1-07. 1-28-07. Sale of livestock by weight - Scales to be inspected.**

6 Notwithstanding section 36-21-15, all livestock sold by weight through a ~~satellite~~ video  
7 livestock auction market or internet livestock auction market must be sold based on the weight  
8 of the livestock on the day of delivery. All livestock sold by weight must be weighed on scales  
9 that have been tested and inspected by the department of weights and measures in the manner  
10 provided by law.