

**Fifty-eighth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 7, 2003**

HOUSE CONCURRENT RESOLUTION NO. 3021  
(Representatives Mueller, D. Johnson, Nicholas)  
(Senators Fischer, Flakoll, Nichols)

A concurrent resolution urging the United States Department of Agriculture not to preempt states' rights to regulate grain merchandising activities at grain warehouses that are licensed under the United States Warehouse Act, and further urging Congress to take corrective action if the United States Department of Agriculture is unwilling or unable to take corrective action.

**WHEREAS**, the United States Department of Agriculture has adopted a rule to preempt states' rights to regulate grain merchandising activities at grain warehouses that are licensed under the United States Warehouse Act; and

**WHEREAS**, this rule was adopted without proper public notice and opportunity to comment; and

**WHEREAS**, the United States Department of Agriculture does not have a regulatory plan in place to adequately protect farmers who sell grain on a cash sale basis to federally licensed grain warehouses; and

**WHEREAS**, the United States Department of Agriculture does not have a mechanism in place to adequately inform farmers of what protections are and are not available to patrons of federally licensed grain warehouses; and

**WHEREAS**, the United States Department of Agriculture is not equipped to promptly respond to patron complaints concerning the day-to-day business operations of grain elevators all across the country; and

**WHEREAS**, the actions of the United States Department of Agriculture may ultimately diminish competition in local grain markets to the disadvantage of farmers; and

**WHEREAS**, the existing system of federally regulated warehousing activities and state regulated grain merchandising activities has served farmers well for decades; and

**WHEREAS**, the proposed system of exclusive federal regulation and oversight in subsequent insolvency proceedings will leave farmers with fewer protections and trust fund resources than they currently have;

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

That the Fifty-eighth Legislative Assembly urges the United States Department of Agriculture to rescind its pending rule to preempt states' rights to regulate merchandising activities at federally licensed grain warehouses and, absent prompt corrective action, that the Congress of the United States act to restore states' rights to regulate grain merchandising activities at federally licensed grain warehouses; and

**BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this resolution to the Secretary of the United States Department of Agriculture and to each member of the North Dakota Congressional Delegation.

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2003,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State