

**SENATE BILL NO. 2124**

Introduced by

Agriculture Committee

(At the request of the Public Service Commission)

1 A BILL for an Act to amend and reenact section 60-02-19.1, subsection 4 of section 60-02.1-01,  
2 and section 60-02.1-14 of the North Dakota Century Code, relating to public grain warehouse  
3 and facility-based grain buyer credit-sale contract transfers and the definition of facility-based  
4 grain buyer.

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

6 **SECTION 1. AMENDMENT.** Section 60-02-19.1 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **60-02-19.1. Credit-sale contracts.** A warehouseman shall not purchase grain by a  
9 credit-sale contract except as provided in this section. All credit-sale contracts must be in  
10 writing and must be consecutively numbered at the time of printing the contract. The  
11 warehouseman shall maintain an accurate record of all credit-sale contract numbers including  
12 the disposition of each numbered form, whether by execution, destruction, or otherwise. Each  
13 credit-sale contract must contain or provide for all of the following:

- 14 1. The seller's name and address.
- 15 2. The conditions of delivery.
- 16 3. The amount and kind of grain delivered.
- 17 4. The price per unit or basis of value.
- 18 5. The date payment is to be made.
- 19 6. The duration of the credit-sale contract.
- 20 7. Notice in a clear and prominent manner that the sale is not protected by the bond  
21 coverage provided for in section 60-02-09, ~~however.~~ However, if the  
22 warehouseman has obtained bond coverage in addition to that required by section  
23 60-02-09 and such coverage extends to the benefit of credit-sale contracts, the

1           warehouseman may state the same in the credit-sale contract along with the extent  
2           of such coverage.

3   The contract must be signed by both parties and executed in duplicate. One copy shall be  
4   retained by the warehouseman and one copy shall be delivered to the seller. Upon revocation,  
5   termination, or cancellation of a warehouseman's license, the payment date for all credit-sale  
6   contracts shall, at the seller's option, be advanced to a date not later than thirty days after the  
7   effective date of the revocation, termination, or cancellation, and the purchase price for all  
8   unpriced grain shall be determined as of the effective date of revocation, termination, or  
9   cancellation in accordance with all other provisions of the contract. ~~However, if the license of~~  
10 ~~the warehouseman is transferred to another licensed warehouseman, credit sale contracts may~~  
11 ~~be assigned to the transferee.~~ When a public warehouse is transferred under this chapter,  
12 credit-sale contracts may be assigned to another licensed public warehouseman or  
13 facility-based grain buyer.

14           **SECTION 2. AMENDMENT.** Subsection 4 of section 60-02.1-01 of the North Dakota  
15 Century Code is amended and reenacted as follows:

16           4. "Facility-based grain buyer" means a grain buyer who operates a facility licensed  
17           under the United States Warehouse Act [7 U.S.C. 241-273] where grain is  
18           received.

19           **SECTION 3. AMENDMENT.** Section 60-02.1-14 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21           **60-02.1-14. Credit-sale contracts.** A grain buyer may not purchase grain by a  
22 credit-sale contract except as provided in this section. All credit-sale contracts must be in  
23 writing and must be consecutively numbered at the time of printing the contract. The grain  
24 buyer shall maintain an accurate record of all credit-sale contract numbers including the  
25 disposition of each numbered form, whether by execution, destruction, or otherwise. Each  
26 credit-sale contract must contain or provide for all of the following:

- 27           1. The seller's name and address.
- 28           2. The conditions of delivery.
- 29           3. The amount and kind of grain delivered.
- 30           4. The price per unit or basis of value.
- 31           5. The date payment is to be made.

- 1           6.    The duration of the credit-sale contract.
- 2           7.    Notice in a clear and prominent manner that the sale is not protected by the bond  
3           coverage provided for in section 60-02.1-08. However, if the grain buyer has  
4           obtained bond coverage in addition to that required by section 60-02.1-08 and the  
5           coverage extends to the benefit of credit-sale contracts, the grain buyer may state  
6           that fact in the credit-sale contract along with the extent of such coverage.
- 7    The contract must be signed by both parties and executed in duplicate. One copy must be  
8    retained by the grain buyer and one copy must be delivered to the seller. Upon revocation,  
9    termination, or cancellation of a grain buyer's license, the payment date for all credit-sale  
10   contracts, at the seller's option, must be advanced to a date not later than thirty days after the  
11   effective date of the revocation, termination, or cancellation, and the purchase price for all  
12   unpriced grain must be determined as of the effective date of revocation, termination, or  
13   cancellation in accordance with all other provisions of the contract. ~~However, if the license of~~  
14   ~~the grain buyer is transferred to another grain buyer or licensed warehouseman, credit sale~~  
15   ~~contracts, if so agreed by the seller and transferee, may be assigned to the transferee. When a~~  
16   ~~facility is transferred under this chapter, credit-sale contracts may be assigned to another~~  
17   ~~licensed facility-based grain buyer or public warehouseman.~~