

1.1 moves to amend H.F. No. 915 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1
1.4 GRAIN BUYERS

1.5 Section 1. Minnesota Statutes 2018, section 223.16, subdivision 1, is amended to read:

1.6 Subdivision 1. **Applicability.** For the purpose of sections 223.15 to ~~223.22~~ 223.23, the
1.7 terms defined in this section have the meanings given them.

1.8 Sec. 2. Minnesota Statutes 2018, section 223.16, subdivision 2a, is amended to read:

1.9 Subd. 2a. **Cash sale.** "Cash sale" means:

1.10 ~~(a) a sale that is not reduced to writing as a voluntary extension of credit contract and~~
1.11 ~~for which payment is tendered to the seller not later than the close of business on the next~~
1.12 ~~business day after the sale, either in cash or by check, or by mailing or wiring funds to the~~
1.13 ~~seller's account in the amount of at least 80 percent of the value of the grain at delivery; or,~~

1.14 ~~(b) a sale of a shipment of grain which is part of a multiple shipment sale, for which a~~
1.15 ~~scale ticket clearly marked "CASH" has been received by the seller before completion of~~
1.16 ~~the entire sale, and for which payment is tendered in cash or by check not later than ten~~
1.17 ~~days after the sale of that shipment, except that when the entire sale is completed, payment~~
1.18 ~~is tendered in cash or by check not later than the close of business on the next business day,~~
1.19 ~~or within 48 hours, whichever is later.~~

2.1 Sec. 3. Minnesota Statutes 2018, section 223.16, is amended by adding a subdivision to
2.2 read:

2.3 Subd. 2b. **Cash.** "Cash" means currency or an equivalent manner of payment, including
2.4 but not limited to a certified check, a cashier's check, or a postal, bank, or express money
2.5 order in which the amount of payment is verified and secured prior to issuance.

2.6 Sec. 4. Minnesota Statutes 2018, section 223.16, is amended by adding a subdivision to
2.7 read:

2.8 Subd. 2c. **Cash buyer.** "Cash buyer" means a person that purchases grain only with cash
2.9 and in amounts of less than \$100,000 total annually.

2.10 Sec. 5. Minnesota Statutes 2018, section 223.16, subdivision 4, is amended to read:

2.11 Subd. 4. **Grain.** "Grain" means any cereal grain, coarse grain, or oilseed in unprocessed
2.12 form for which a standard has been established by the United States Secretary of Agriculture
2.13 or the Minnesota Board of Grain Standards, dry edible beans, or other agricultural crops
2.14 designated by the commissioner by rule.

2.15 Sec. 6. Minnesota Statutes 2018, section 223.17, subdivision 3, is amended to read:

2.16 Subd. 3. **Grain buyers and storage account; fees.** (a) A grain buyer must pay to the
2.17 commissioner ~~shall set the fees for inspections under sections 223.15 to 223.22 at levels~~
2.18 ~~necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22.~~ an
2.19 annual license fee as follows:

2.20 ~~The fee for any license issued or renewed after June 30, 2005, shall be set according to~~
2.21 ~~the following schedule:~~

2.22 (~~a~~) (1) \$140 plus \$110 for each additional location for grain buyers whose gross annual
2.23 purchases are less than \$100,000;

2.24 (~~b~~) (2) \$275 plus \$110 for each additional location for grain buyers whose gross annual
2.25 purchases are at least \$100,000, but not more than \$750,000;

2.26 (~~e~~) (3) \$415 plus \$220 for each additional location for grain buyers whose gross annual
2.27 purchases are more than \$750,000 but not more than \$1,500,000;

2.28 (~~d~~) (4) \$550 plus \$220 for each additional location for grain buyers whose gross annual
2.29 purchases are more than \$1,500,000 but not more than \$3,000,000; and

3.1 ~~(e)~~ (5) \$700 plus \$220 for each additional location for grain buyers whose gross annual
3.2 purchases are more than \$3,000,000.

3.3 (b) In addition to the license fee required under paragraph (a), a grain buyer must pay
3.4 to the commissioner an annual examination fee for each licensed location, as follows:

3.5	<u>Bushel Capacity</u>	<u>Examination</u>
3.6		<u>Fee</u>
3.7	<u>Examinations without a grain measure</u>	\$ <u>100</u>
3.8	<u>Less than 150,001</u>	\$ <u>300</u>
3.9	<u>150,001 to 250,000</u>	\$ <u>425</u>
3.10	<u>250,001 to 500,000</u>	\$ <u>545</u>
3.11	<u>500,001 to 750,000</u>	\$ <u>700</u>
3.12	<u>750,001 to 1,000,000</u>	\$ <u>865</u>
3.13	<u>1,000,001 to 1,200,000</u>	\$ <u>1,040</u>
3.14	<u>1,200,001 to 1,500,000</u>	\$ <u>1,205</u>
3.15	<u>1,500,001 to 2,000,000</u>	\$ <u>1,380</u>
3.16	<u>More than 2,000,000</u>	\$ <u>1,555</u>

3.17 The fee for any supplemental examination required by the commissioner under section
3.18 223.23 is \$55 per hour per examiner.

3.19 (c) A penalty amount not to exceed ten percent of the fees due may be imposed by the
3.20 commissioner for each month for which the fees are delinquent.

3.21 (d) There is created the grain buyers and storage account in the agricultural fund. Money
3.22 collected pursuant to sections 223.15 to ~~223.19~~ 223.23 shall be paid into the state treasury
3.23 and credited to the grain buyers and storage account ~~and~~ Money in the account, including
3.24 interest, is appropriated to the commissioner for the administration and enforcement of
3.25 sections 223.15 to ~~223.22~~ 223.23.

3.26 Sec. 7. Minnesota Statutes 2018, section 223.17, subdivision 4, is amended to read:

3.27 Subd. 4. **Bond.** (a) Except as provided in paragraphs (c), (d), and (e), before a grain
3.28 buyer's license is issued, the applicant for the license must file with the commissioner a
3.29 bond in a penal sum prescribed by the commissioner but not less than the following amounts:

3.30 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

3.31 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
3.32 not more than \$750,000;

4.1 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
4.2 not more than \$1,500,000;

4.3 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
4.4 but not more than \$3,000,000;

4.5 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
4.6 but not more than \$6,000,000;

4.7 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
4.8 but not more than \$12,000,000;

4.9 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
4.10 but not more than \$24,000,000; and

4.11 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

4.12 (b) ~~A grain buyer who has filed a bond with the commissioner prior to July 1, 2004, is~~
4.13 ~~not required to increase the amount of the bond to comply with this section until July 1,~~
4.14 ~~2005. The commissioner may postpone an increase in the amount of the bond until July 1,~~
4.15 ~~2006, if a licensee demonstrates that the increase will impose undue financial hardship on~~
4.16 ~~the licensee, and that producers will not be harmed as a result of the postponement. The~~
4.17 ~~commissioner may impose other restrictions on a licensee whose bond increase has been~~
4.18 ~~postponed.~~ The amount of the bond shall be based on the most recent gross annual grain
4.19 purchase report of the grain buyer.

4.20 (c) A first-time applicant for a grain buyer's license shall file a \$50,000 bond with the
4.21 commissioner. This bond shall remain in effect for the first year of the license. Thereafter,
4.22 the licensee shall comply with the applicable bonding requirements contained in paragraph
4.23 (a), clauses (1) to (8).

4.24 (d) In lieu of the bond required by this subdivision the applicant may deposit with the
4.25 commissioner of management and budget ~~cash, a certified check, a cashier's check, a postal,~~
4.26 ~~bank, or express money order, assignable bonds or notes of the United States, or an~~
4.27 ~~assignment of a bank savings account or investment certificate or an irrevocable bank letter~~
4.28 ~~of credit as defined in section 336.5-102, in the same amount as would be required for a~~
4.29 bond.

4.30 (e) A cash buyer is exempt from the requirements under this subdivision.

4.31 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
4.32 90 days' written notice of the bond's termination date to the licensee and the commissioner.

5.1 Sec. 8. Minnesota Statutes 2018, section 223.17, subdivision 5, is amended to read:

5.2 Subd. 5. **Cash sales; manner of payment.** For a cash sale of a shipment of grain ~~which~~
5.3 ~~is part of a multiple shipment sale,~~ the grain buyer shall tender payment to the seller in cash
5.4 or by check ~~not later than ten days after the sale of that shipment, except that when the entire~~
5.5 ~~sale is completed, payment shall be tendered not later than the close of business on the next~~
5.6 ~~day, or within 48 hours, whichever is later. For other cash sales the grain buyer, before the~~
5.7 ~~close of business on the next business day after the sale, shall tender payment to the seller~~
5.8 ~~in cash or by check, or shall wire or mail funds to the seller's account in the amount of at~~
5.9 ~~least 80 percent of the value of the grain at the time of delivery, or wire or mail funds to the~~
5.10 ~~seller's account.~~ The grain buyer shall complete final settlement after the sale of the shipment
5.11 as rapidly as possible through ordinary diligence.

5.12 Sec. 9. Minnesota Statutes 2018, section 223.17, subdivision 6, is amended to read:

5.13 Subd. 6. **Financial statements.** (a) Except as required in paragraph (c), the commissioner
5.14 ~~may~~ must require an annual financial statement from a licensee which has been prepared
5.15 in accordance with generally accepted accounting principles and which meets the following
5.16 requirements:

5.17 (1) The financial statement shall include, but not be limited to the following:

5.18 (i) a balance sheet;

5.19 (ii) a statement of income (profit and loss);

5.20 (iii) a statement of retained earnings;

5.21 (iv) a statement of changes in financial position; and

5.22 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
5.23 grain buyer.

5.24 ~~(2) The financial statement shall be accompanied by a compilation report of the financial~~
5.25 ~~statement that is prepared by a grain commission firm or a management firm approved by~~
5.26 ~~the commissioner or by an independent public accountant, in accordance with standards~~
5.27 ~~established by the American Institute of Certified Public Accountants. Grain buyers~~
5.28 ~~purchasing less than 150,000 bushels of grain per calendar year may submit a financial~~
5.29 ~~statement prepared by a public accountant who is not an employee or a relative within the~~
5.30 ~~third degree of kindred according to civil law.~~

5.31 ~~(3)~~ The financial statement shall be accompanied by a certification by the chief executive
5.32 officer or the chief executive officer's designee of the licensee, under penalty of perjury,

6.1 that the financial statement accurately reflects the financial condition of the licensee for the
6.2 period specified in the statement.

6.3 (3) A grain buyer purchasing less than \$2,000,000 of grain annually must have the
6.4 financial statement reviewed by a certified public accountant in accordance with standards
6.5 established by the American Institute of Certified Public Accountants, and must show that
6.6 the financial statements are free from material misstatements.

6.7 (4) A grain buyer purchasing \$2,000,000 or more of grain annually must have the
6.8 financial statement audited by a certified public accountant in accordance with standards
6.9 established by the American Institute of Certified Public Accountants, and must submit an
6.10 opinion statement from the certified public accountant.

6.11 (b) Only one financial statement must be filed for a chain of warehouses owned or
6.12 operated as a single business entity, unless otherwise required by the commissioner. ~~Any~~
6.13 ~~grain buyer having a net worth in excess of \$500,000,000 need not file the financial statement~~
6.14 ~~required by this subdivision but must provide the commissioner with a certified net worth~~
6.15 ~~statement.~~ All financial statements filed with the commissioner are private or nonpublic
6.16 data as provided in section 13.02.

6.17 (c) A cash buyer is exempt from the requirements of this subdivision.

6.18 Sec. 10. Minnesota Statutes 2018, section 223.177, subdivision 2, is amended to read:

6.19 Subd. 2. **Oral contracts.** Any grain buyer entering into a voluntary extension of credit
6.20 contract orally or by phone shall give or mail to the seller a written confirmation conforming
6.21 to the requirements of section 223.175 ~~before the close of the next business day~~ within thirty
6.22 days. Written confirmation of oral contracts must meet the requirements under section
6.23 223.177, subdivision 3.

6.24 Sec. 11. Minnesota Statutes 2018, section 223.177, subdivision 3, is amended to read:

6.25 Subd. 3. **Contracts reduced to writing.** A voluntary extension of credit contract must
6.26 be reduced to writing by the grain buyer ~~and~~₂ mailed or given to the seller ~~before the close~~
6.27 ~~of the next business day after the contract is entered into or, in the case of an oral or phone~~
6.28 ~~contract, after the written confirmation is received by the seller. Provided, however, that if~~
6.29 ~~a scale ticket has been received by the seller prior to the completion of the grain shipment,~~
6.30 ~~the contract must be reduced to writing within ten days after the sale, but not later than the~~
6.31 ~~close of the next business day after the completion of the entire sale,~~ and signed by both
6.32 buyer and seller within thirty days of the date of delivery. The form of the contract shall

7.1 comply with the requirements of section 223.175. A grain buyer may use an electronic
 7.2 version of a voluntary extension of credit contract that contains the same information as a
 7.3 written document and that conforms to the requirements of this chapter to which a seller
 7.4 has applied an electronic signature in place of a written document. There must not at any
 7.5 time be an electronic and paper voluntary extension of credit contract representing the same
 7.6 lot of grain.

7.7 Sec. 12. Minnesota Statutes 2018, section 223.19, is amended to read:

7.8 **223.19 RULES.**

7.9 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of
 7.10 sections 223.15 to ~~223.22~~ 223.23.

7.11 Sec. 13. **[223.23] ANNUAL EXAMINATION REQUIRED; SUPPLEMENTAL**
 7.12 **EXAMINATIONS.**

7.13 A licensed grain buyer is subject to an annual examination conducted by the commissioner
 7.14 or the Agricultural Marketing Service of the United States Department of Agriculture.
 7.15 Examinations must include a measurement of all grain owned and maintained by the grain
 7.16 buyer. The commissioner may require supplemental examinations of a grain buyer as the
 7.17 commissioner deems necessary.

7.18 **ARTICLE 2**

7.19 **GRAIN WAREHOUSES**

7.20 Section 1. Minnesota Statutes 2018, section 232.21, subdivision 7, is amended to read:

7.21 Subd. 7. **Grain.** "Grain" means any cereal grain, coarse grain, or oilseed in unprocessed
 7.22 form for which a standard has been established by the United States Secretary of Agriculture
 7.23 ~~or the Minnesota Board of Grain Standards~~, dry edible beans, or agricultural crops designated
 7.24 by the commissioner by rule.

7.25 Sec. 2. Minnesota Statutes 2018, section 232.21, is amended by adding a subdivision to
 7.26 read:

7.27 Subd. 7a. **Grain bank.** "Grain bank" means a feed processing plant that receives and
 7.28 stores grain it processes and returns to the grain's owner in amounts, at intervals, and with
 7.29 added ingredients that are mutually agreeable to the grain's owner and the person operating
 7.30 the plant. "Grain bank" does not include a seed cleaning plant. Grain assigned to a grain
 7.31 bank is considered stored grain.

8.1 Sec. 3. Minnesota Statutes 2018, section 232.22, subdivision 3, is amended to read:

8.2 Subd. 3. **Fees; grain buyers and storage account.** (a) There is created in the agricultural
 8.3 fund an account known as the grain buyers and storage account. ~~The commissioner shall~~
 8.4 ~~set the fees for examinations, certifications, and licenses under sections 232.20 to 232.24~~
 8.5 ~~at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.24.~~
 8.6 All money collected pursuant to sections 232.20 to 232.24 shall be paid by the commissioner
 8.7 into the state treasury and credited to the grain buyers and storage account ~~and~~. Money in
 8.8 the account, including interest, is appropriated to the commissioner for the administration
 8.9 and enforcement of sections 232.20 to 232.24.

8.10 (b) All money collected pursuant to chapter 231 shall be paid by the commissioner into
 8.11 the grain buyers and storage account ~~and~~. Money in the account is appropriated to the
 8.12 commissioner for the administration and enforcement of chapter 231.

8.13 (c) The fees for a license to store grain are as follows:

8.14 ~~(a)~~ (1) For a license to store grain, \$110 for each home rule charter or statutory city or
 8.15 town in which a public grain warehouse is operated.

8.16 ~~(b)~~ (2) In addition to the license fee required under clause (1), a person with a license
 8.17 to store grain in a public grain warehouse is subject to an examination fee for each licensed
 8.18 location, ~~based on the following schedule for one examination~~ as follows:

8.19	Bushel Capacity	Examination
8.20		Fee
8.21	Less than 150,001	\$ 300
8.22	150,001 to 250,000	\$ 425
8.23	250,001 to 500,000	\$ 545
8.24	500,001 to 750,000	\$ 700
8.25	750,001 to 1,000,000	\$ 865
8.26	1,000,001 to 1,200,000	\$ 1,040
8.27	1,200,001 to 1,500,000	\$ 1,205
8.28	1,500,001 to 2,000,000	\$ 1,380
8.29	More than 2,000,000	\$ 1,555

8.30 ~~(e)~~ (3) The fee for the second examination supplemental examinations required by the
 8.31 commissioner under section 232.24 is \$55 per hour per examiner ~~for warehouse operators~~
 8.32 ~~who choose to have it performed by the commissioner.~~

8.33 (d) A penalty amount not to exceed ten percent of the fees due may be imposed by the
 8.34 commissioner for each month for which the fees are delinquent.

9.1 Sec. 4. Minnesota Statutes 2018, section 232.22, subdivision 4, is amended to read:

9.2 Subd. 4. **Bonding.** (a) Before a license is issued, except as provided under paragraph
9.3 (c), the applicant for a public grain warehouse operator's license shall file with the
9.4 commissioner a bond in a penal sum prescribed by the commissioner based on the annual
9.5 average storage liability as stated on the statement of grain in storage report or on the gross
9.6 annual grain purchase report, whichever is greater, and applying the following amounts:

9.7 (1) \$10,000 for storages with annual average storage liability of more than \$0 but not
9.8 more than \$25,000;

9.9 (2) \$20,000 for storages with annual average storage liability of more than \$25,001 but
9.10 not more than \$50,000;

9.11 (3) \$30,000 for storages with annual average storage liability of more than \$50,001 but
9.12 not more than \$75,000;

9.13 (4) \$50,000 for storages with annual average storage liability of more than \$75,001 but
9.14 not more than \$100,000;

9.15 (5) \$75,000 for storages with annual average storage liability of more than \$100,001
9.16 but not more than \$200,000;

9.17 (6) \$125,000 for storages with annual average storage liability of more than \$200,001
9.18 but not more than \$300,000;

9.19 (7) \$175,000 for storages with annual average storage liability of more than \$300,001
9.20 but not more than \$400,000;

9.21 (8) \$225,000 for storages with annual average storage liability of more than \$400,001
9.22 but not more than \$500,000;

9.23 (9) \$275,000 for storages with annual average storage liability of more than \$500,001
9.24 but not more than \$600,000;

9.25 (10) \$325,000 for storages with annual average storage liability of more than \$600,001
9.26 but not more than \$700,000;

9.27 (11) \$375,000 for storages with annual average storage liability of more than \$700,001
9.28 but not more than \$800,000;

9.29 (12) \$425,000 for storages with annual average storage liability of more than \$800,001
9.30 but not more than \$900,000;

10.1 (13) \$475,000 for storages with annual average storage liability of more than \$900,001
 10.2 but not more than \$1,000,000; and

10.3 (14) \$500,000 for storages with annual average storage liability of more than \$1,000,000.

10.4 (b) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
 10.5 90 days' written notice of the bond's termination date to the licensee and the commissioner.

10.6 (c) In lieu of the bond required by this subdivision, the applicant may deposit with the
 10.7 commissioner of management and budget an irrevocable bank letter of credit as defined in
 10.8 section 336.5-102, in the same amount as would be required for a bond.

10.9 Sec. 5. Minnesota Statutes 2018, section 232.24, is amended to read:

10.10 **232.24 SCHEDULE OF INSPECTION, FINANCIAL REPORTS.**

10.11 Subdivision 1. **Schedule of examination.** A licensee under sections 232.20 to 232.24
 10.12 is subject to ~~two examinations~~ an examination annually conducted by the commissioner or
 10.13 the Agricultural Marketing Service of the United States Department of Agriculture. ~~The~~
 10.14 ~~commissioner may, by rule, authorize one examination to be conducted by a qualified~~
 10.15 ~~nongovernmental unit~~ The commissioner may require supplemental examinations of a
 10.16 licensee as the commissioner deems necessary.

10.17 Subd. 2. **Financial reports.** A licensee under sections 232.20 to 232.24 ~~upon request~~
 10.18 must provide to the commissioner a copy of the financial ~~reports of an audit conducted by~~
 10.19 ~~a qualified nongovernmental unit containing information the commissioner requires~~ report
 10.20 that satisfies the requirements under section 223.17, subdivision 6, paragraph (a), clause
 10.21 (1)."

10.22 Delete the title and insert:

10.23 "A bill for an act
 10.24 relating to agriculture; modifying requirements for grain buyers and grain
 10.25 warehouse operators; amending Minnesota Statutes 2018, sections 223.16,
 10.26 subdivisions 1, 2a, 4, by adding subdivisions; 223.17, subdivisions 3, 4, 5, 6;
 10.27 223.177, subdivisions 2, 3; 223.19; 232.21, subdivision 7, by adding a subdivision;
 10.28 232.22, subdivisions 3, 4; 232.24; proposing coding for new law in Minnesota
 10.29 Statutes, chapter 223."