

FEB 28 1972

Place On Calendar

HOUSE FILE 1272

By COMMITTEE ON COMMERCE  
(Committee on Commerce)

*Motion to Reconsider 3/7/72  
w. d. 3/8*

*sub. for S.F. 1196(3-17)*

Passed House, Date 3-6-72

Passed Senate, Date 3-17-72

Vote: Ayes 82 Nays 4

Vote: Ayes 42 Nays 0

Approved \_\_\_\_\_

*Passed here as amended by Senate, etc.*

*3-23-72*

*aye 87 nays 3*

*Motion to reconsider, withdraw 3/24*

# A BILL FOR

1 An Act relating to bonded warehouses.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

3 *Referred Home after receding from amendment*

*3-24-72*

4 *aye 55 nays 34*

5 *Motion to reconsider filed w. d. 3/24 (1428-9)*

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1 Section 1. Section five hundred forty-three point one  
2 (543.1), Code 1971, is amended by striking subsection eight  
3 (8) and inserting in lieu thereof the following:

4 8. "Warehouseman" means any person engaged in the busi-  
5 ness of operating a warehouse for the storing, shipping,  
6 handling or processing of agricultural products.

7 Sec. 2. Section five hundred forty-three point one (543.1),  
8 Code 1971, is amended by striking subsection ten (10) and  
9 inserting in lieu thereof the following:

10 10. "Receiving and loadout charge" means the charge made  
11 by the warehouseman for receiving grain into and loading grain  
12 out of the warehouse, exclusive of the warehouseman's other  
13 charges.

14 Sec. 3. Section five hundred forty-three point one (543.1),  
15 Code 1971, is amended by adding the following new subsections:

16 1. "'Unlicensed warehouseman' means a warehouseman who  
17 retains grain in his warehouse not to exceed ten days and  
18 is not licensed under the provisions of this chapter or Title  
19 VII, U.S.C.A."

20 2. "'Scale weight ticket' means a load slip or other  
21 evidence, other than a receipt, given to a depositor by a  
22 warehouseman licensed under this chapter upon initial de-  
23 livery of the agricultural product to the warehouse."

24 3. "'Depositor' means any person who deposits an agri-  
25 cultural product in a warehouse for storage, handling, or  
26 shipment, or who is the owner or legal holder of an outstand-  
27 ing warehouse receipt, or who is lawfully entitled to posses-  
28 sion of the agricultural product."

29 4. "'Station' means a warehouse located more than three  
30 miles from the central office of the warehouse or in a dif-  
31 ferent city or town than the central office."

32 5. "'Warehouseman's obligation' means a sufficient quantity  
33 and quality of grain or other products for which a warehouseman  
34 is licensed including company owned grain and grain of  
35 depositors as the warehouseman's records indicate. For an

1 unlicensed warehouseman it means a sufficient quantity and  
 2 quality to cover company owned and all deposits of grain for  
 3 which actual payment has not been made. At no time may a  
 4 warehouseman have less grain in his warehouse than his obliga-  
 5 tions to depositors, as determined by investigation of the  
 6 warehouseman's records."

7 Sec. 4. Section five hundred forty-three point four  
 8 (543.4), Code 1971, is amended to read as follows:

9 543.4 ISSUANCE OF LICENSE. The commission is authorized,  
 10 upon application to it, to issue to any warehouseman or to  
 11 any person about to become a warehouseman a license or li-  
 12 censes for the operation of a warehouse or warehouses in ac-  
 13 cordance with the provisions of this chapter and such rules  
 14 and regulations as may be made by the commission under the  
 15 authority of section 543.3. A single license may be issued  
 16 for the operation of two or more warehouses located in the  
 17 same city or town and operated by the same warehouseman.  
 18 ~~licenses-to-a-warehouseman-to-operate-two-or-more-warehouses~~  
 19 ~~located-in-different-cities-or-towns-may-be-issued-under-a~~  
 20 ~~single-application-but-a-separate-license-shall-be-issued~~  
 21 ~~for-such-operation-in-each-city-or-town.~~ A license to operate  
 22 two or more warehouses located in different cities or towns  
 23 within a twenty-five mile radius of a central office may be  
 24 issued under a single application, but a separate fee shall  
 25 be charged for each station.

26 Sec. 5. Section five hundred forty-three point thirteen  
 27 (543.13), unnumbered paragraph one (1), Code 1971, is amended  
 28 to read as follows:

29 Each bond required under section 543.12 shall be in such  
 30 form and shall contain such reasonable terms and conditions  
 31 for the protection of the public as the commission shall  
 32 prescribe, and shall be endorsed as surety by a bonding company  
 33 authorized to do business in this state. No bond shall be  
 34 canceled by the surety on less than ninety days' notice by  
 35 certified mail to the commission and the principal. In no

1 event, shall the liability of the surety on any bond required  
2 by section 543.12 accumulate for each successive license  
3 period during which the bond is in force. The liability of  
4 the surety shall be limited in the aggregate to the face  
5 amount of the bond.

6 Sec. 6. Section five hundred forty-three point thirteen  
7 (543.13), subsection three (3), Code 1971, is amended to read  
8 as follows:

9 3. If the agricultural products intended to be stored  
10 by the warehouseman, as specified in his application for a  
11 license or an amended license, include both bulk grain and  
12 other agricultural products the minimum amount of the bond  
13 shall be the total of the minimum amount which would have  
14 been required for the exclusive storage of the bulk grain  
15 plus the minimum amount which would have been required for  
16 the exclusive storage of the agricultural products other than  
17 bulk grain. One bond, cumulative as to minimum requirements,  
18 may be accepted from a warehouseman operating warehouses in  
19 two or more cities or towns. Notwithstanding any other pro-  
20 visions of this chapter, the bond provided in this section  
21 shall cover all bulk grain deposited with a licensed ware-  
22 houseman, whether under open storage or warehouse receipts.

23 Sec. 7. Section five hundred forty-three point seventeen  
24 (543.17), Code 1971, is amended by striking the section and  
25 inserting in lieu thereof the following:

26 543.17 RECEIVING BULK GRAIN AT LICENSED AND UNLICENSED  
27 WAREHOUSES.

28 1. Any grain which has been received at any licensed  
29 warehouse for which the actual sale price is not fixed and  
30 proper documentation made or payment made shall be construed  
31 to be grain held for storage within the meaning of this  
32 chapter. Grain may be held in open storage or placed on ware-  
33 house receipt. Actual payment shall be made on all priced  
34 grain, or warehouse receipts shall be issued for all grain  
35 held in open storage, within six months of delivery to the

1 warehouse, unless the depositor has signed a statement that  
2 he does not desire a warehouse receipt. Such grain shall  
3 then be considered as open storage. Any deposit of grain  
4 for which the price has not been fixed and properly documented  
5 within thirty days from delivery to the warehouse shall be  
6 deemed as storage. The warehouseman's tariff shall apply  
7 for any grain that is retained in open storage or under  
8 warehouse receipt.

9 Bulk grain deposited with a licensed warehouseman for  
10 processing, cleaning, drying, shipping for the account of  
11 the depositor or any other purpose shall be removed within  
12 thirty days or such grain shall be determined as stored grain  
13 and the warehouseman's tariff charges shall apply.

14 Grain received on a scale ticket which fails to have the  
15 price fixed and properly documented on the records of the  
16 warehouseman shall be construed to be in open storage and shall  
17 be covered by the warehouseman's bond within the provisions  
18 of this chapter.

19 All grain whether open storage or having been placed on  
20 warehouse receipt shall be covered by the warehouseman's bond  
21 as required under the provisions of this chapter.

22 2. Notwithstanding any provisions of this section, a  
23 written agreement may be made within thirty days of first  
24 delivery of any bulk grain to a licensed warehouseman that  
25 payment will be deferred to a future date. Such agreement  
26 shall contain a statement informing the seller that the  
27 warehouseman shall not be required to carry insurance or bond  
28 on such grain for the benefit of the seller and that the  
29 payment for such grain becomes a common claim against the  
30 warehouseman.

31 The agreement in addition to such other information as  
32 may be required shall contain the following:

- 33 a. The seller's or depositor's name and address.
- 34 b. The conditions of delivery.
- 35 c. The amount and kind of grain delivered.

1 d. The price per bushel or basis of value.

2 e. The date payment is to be made.

3 Such agreement must be numbered and signed by both parties  
4 and executed in triplicate. One copy shall be retained by  
5 the warehouseman, one copy shall be delivered to the seller  
6 and one copy shall be forwarded to the commission within five  
7 days from execution of such agreement.

8 Grain received under a deferred payment contract under  
9 the provisions of this section shall not be deemed as stored  
10 grain.

11 Any grain which has been received at any unlicensed  
12 warehouse and for which the actual sale price has not been  
13 fixed and payment made within ten days from receipt of the  
14 grain, shall be construed to be grain held for storage within  
15 the meaning of this chapter. Bulk grain received at any  
16 unlicensed warehouse for any other purpose must either be  
17 returned to the depositor or disposed of by order of the  
18 depositor within ten days from date of actual deposit of the  
19 bulk grain.

20 If the depositor of bulk grain in an unlicensed warehouse  
21 fails to sell the grain or orders other disposition of the  
22 grain, the warehouseman may purchase the grain on the tenth  
23 day after deposit at not less than the local market price  
24 at the close of business on the tenth day or return the grain  
25 to the depositor by the tenth day.

26 Sec. 8. Section five hundred forty-three point twenty-  
27 eight (543.28), Code 1971, is amended to read as follows:

28 543.28 RATES. The commission may from time to time pre-  
29 scribe a minimum charge for storage and a minimum ~~delivery~~  
30 receiving and loadout charge. Unless and until otherwise  
31 specified by rule of the commission, the minimum storage  
32 charge for bulk grain shall be as follows:

33 1. For the first four months or any part thereof, one-  
34 thirtieth of a cent per day per bushel.

35 2. For the next four months or any part thereof, one

1 thirty-sixth of a cent per day per bushel.

2 3. Thereafter the minimum rate shall be one forty-fifth  
3 of a cent per day per bushel.

4 The minimum delivery receiving and loadout charge for bulk  
5 grain shall be two cents per bushel. No delivery receiving  
6 and loadout charge shall be made for products sold to the  
7 warehouseman whether such product has been in storage or not.  
8 The specific delivery receiving and loadout charge herein  
9 provided shall not be mandatory as to grain received into  
10 grain elevators from railroad cars nor as to grain sold by  
11 a warehouseman and carried as storage for the purchaser.

12 The storage charges herein provided for shall commence  
13 on the date of delivery to the warehouse. Provided, however,  
14 that a storage or delivery receiving and loadout charge other  
15 than that specified above may be made, if such charge is re-  
16 quired by the terms of a written contract with the United  
17 States government, any of its subdivisions or agencies,  
18 providing copy of such contract is filed with the commission.

19 Rates for storage, conditioning of stored products and  
20 delivery receiving and loadout charges shall be just,  
21 reasonable, and nondiscriminatory, and every unjust,  
22 unreasonable, and discriminatory charge for such services  
23 or any part thereof and not in accordance with tariffs as  
24 herein provided, is prohibited and is hereby declared to be  
25 unlawful.

26 It shall be the duty of every warehouseman at the time  
27 of making application for a license, to file a tariff with  
28 the commission and to publish the same, which shall contain  
29 rates to be charged for storage, conditioning of stored  
30 products, and delivery receiving and loadout charges, such  
31 publication of tariff to be made by the applicant by posting  
32 the same in a conspicuous place at the place of business of  
33 the applicant. Such tariff shall be in a form as prescribed  
34 by the commission and shall become effective at the time the  
35 license becomes effective.

1 In the event that a warehouseman desires to change, alter,  
2 or amend a tariff at any time during the period in which his  
3 license is in effect, he may do so by filing a new tariff  
4 with the commission and by publishing the same by posting  
5 in a conspicuous place at his place of business at which time  
6 the new tariff shall become effective.

7 Sec. 9. Section five hundred forty-three point thirty-  
8 three (543.33), subsections three (3) and four (4), Code 1971,  
9 are amended to read as follows:

10 3. For the renewal or extension of each license, twenty-  
11 four dollars per station.

12 4. For the issuance of a license, two dollars for each  
13 month or fraction thereof of the period of time for which  
14 such license is issued per station.

15 Sec. 10. Section five hundred forty-three point nine  
16 (543.9), Code 1971, is repealed.

17 EXPLANATION

18 This bill allows the storage in licensed bonded warehouses  
19 of agricultural products for which receipts had not been  
20 issued. Products held in open storage and covered by the  
21 warehouseman's bond, except in the case of deferred payment  
22 where an agreement states that the warehouseman is not required  
23 to carry insurance or bond on the agricultural product  
24 concerned. Liability on bonds is limited to the face amount  
25 of the bond.

26 To operate warehouses in different cities, the warehouse  
27 owner is now issued a separate license for each. The bill  
28 proposes the issuance of one license to an operator of two  
29 or more warehouses that are within a 25 mile radius of the  
30 central office.

31 The bill is drafted according to recommendations received  
32 from the Warehouse Advisory Committee, which is composed of  
33 various bonding companies, grain associations, and members  
34 of the Warehouse Division of the Iowa State Commerce  
35 Commission.

HOUSE FILE 1272

1 Amend House File 1272, page 8, by inserting after  
 2 line 6 the following new section:  
 3 Sec. 9. Section five hundred forty-three point  
 4 thirty (543.30), Code 1971, is amended to read as  
 5 follows:  
 6 543.30 INSPECTING AND GRADING. Grain, flaxseed,  
 7 or any other fungible agricultural product stored in  
 8 a warehouse licensed under this chapter or an  
 9 unlicensed warehouse pursuant to section five hundred  
 10 forty-three point seventeen (543.17), for which no  
 11 separate compartment is provided, and its identity  
 12 preserved, shall be inspected and graded, and the  
 13 warehouseman, upon request, shall notify the  
 14 depositor or his delivering agent of the grade prior  
 15 to commingling it.

Filed  
March 7, 1972

By SCHROEDER of Pottawattamie

1 Amend House File 1272 as passed by the House as follows:  
 2 1. Page 2, by striking lines 7 through 13, inclusive.  
 3 2. Page 6, by striking lines 26 through 35, inclusive;  
 4 page 7, by striking lines 1 through 35, inclusive; and  
 5 page 8, by striking lines 1 through 6, inclusive.  
 6 3. Renumber the subsequent sections accordingly.

Received from the Senate  
March 17, 1972

*House adopted a/w amendment 3/21 (1310)  
 Motion to be reconsidered 3/21 (1311)  
 same concurred as amended 3/23 (1382)*

1 Amend the Senate Amendment to House File 1272 as  
 2 follows:  
 3 1. By inserting after line 5 the following:  
 4 "3. Page 8 by inserting after line 6 the follow-  
 5 ing new section:  
 6 Sec. 9. Section five hundred forty-three point  
 7 thirty (543.30), Code 1971, is amended to read as  
 8 follows:  
 9 543.30 INSPECTING AND GRADING. Grain, flaxseed,  
 10 or any other fungible agricultural product stored in  
 11 a warehouse licensed under this chapter or an  
 12 unlicensed warehouse pursuant to section five hundred  
 13 forty-three point seventeen (543.17), for which no  
 14 separate compartment is provided, and its identity  
 15 preserved, shall be inspected and graded, and the  
 16 warehouseman, upon request, shall notify the depositor  
 17 or his delivering agent of the grade prior to  
 18 commingling it."  
 19 2. By renumbering the subsequent sections ac-  
 20 cordingly.

Offered from the floor and adopted  
March 21, 1972

*By Schroeder of Pottawattamie  
 Motion to be reconsidered ~~and~~ lost 3/21/72 (1311)*

1 Amend House File 1272, page 8, by inserting after line 6  
2 the following new section:  
3 1. "Sec. Section five hundred forty-three point thirty  
4 (543.30), Code 1971, is amended to read as follows:  
5 543.30 INSPECTING AND GRADING. Grain, flaxseed, or  
6 any other fungible agricultural product stored in a warehouse  
7 licensed under this chapter or an unlicensed warehouse pursuant  
8 to section five hundred forty-three point seventeen (543.17)  
9 of the Code, for which no separate compartment is provided,  
10 and its identity preserved, shall be inspected and graded,  
11 and the warehouseman, upon request, shall notify the depositor  
12 or his delivering agent of the grade prior to commingling it."  
13 2. Renumber the subsequent sections accordingly.

Filed - *w.D. 3-17-72*  
March 8, 1972

By ANDERSON

1 Amend the Anderson Amendment to House File 1272, filed  
2 March 8, 1972, line 12 by adding after the word "it" the  
3 words "and shall keep a quart sample of the grain for a  
4 period of five days with depositor's name attached".

Filed  
March 10, 1972

By GRAHAM

1 Amend the Anderson Amendment to House File 1272, filed  
2 March 8, 1972, as follows:  
3 Line 10, by adding after the word "graded," the words  
4 and shall keep a quart sample of the grain for a period  
5 of five days with the depositor's name attached.  
6 Strike all of lines 11 and 12 inclusive.

Filed  
March 13, 1972

By GRAHAM

1 Amend House File 1272 as passed by the House as follows:  
2 1. Page 2, by striking lines 7 through 13 inclusive.  
3 2. Page 6, by striking lines 26 through 35 inclusive,  
4 Page 7, by striking lines 1 through 35 inclusive and Page 8,  
5 by striking lines 1 through 6 inclusive.  
6 3. Renumber the subsequent sections accordingly.

Filed - *Adopted 3-17-72 (1027)*  
March 10, 1972

By STEPHENS, LAMBORN, POTGETER and  
LAVERTY

HOUSE AMENDMENT TO SENATE AMENDMENT TO HOUSE FILE 1272

1 Amend the Senate Amendment to House File 1272 as follows:

2 1. By inserting after line 5 the following:

3 "3. Page 8 by inserting after line 6 the following new  
4 section:

5 Sec. 9. Section five hundred forty-three point thirty  
6 (543.30), Code 1971, is amended to read as follows:

7 543.30 INSPECTING AND GRADING. Grain, flaxseed, or any  
8 other fungible agricultural product stored in a warehouse  
9 licensed under this chapter or an unlicensed warehouse  
10 pursuant to section five hundred forty-three point seventeen  
11 (543.17), for which no separate compartment is provided,  
12 and its identity preserved, shall be inspected and graded,  
13 and the warehouseman, upon request, shall notify the  
14 depositor or his delivering agent of the grade prior to  
15 commingling it."

16 2. Line 6, by striking the figure "3" and inserting  
17 in lieu thereof the figure "4".

*Senate refused to concur 3/24 (1163)*  
*House receded 3/24 (1426)*

Received from the House  
March 24 1972