

CHAPTER 119

BONDED WAREHOUSES FOR AGRICULTURAL COMMODITIES

H. F. 630.

AN ACT to provide for bonded warehouses for the storage of agricultural and other commodities.

Be it enacted by the General Assembly of the State of Iowa:

1 SECTION 1. **Terms defined.** The term "commissioners" as used
 2 in this act shall mean the "board of railroad commissioners"; the term
 3 "warehouse" as used in this act shall be deemed to mean every build-
 4 ing, structure, or other protected inclosure in which any agricultural
 5 product is or may be stored within the state. The term "agricultural
 6 product" wherever used in this act shall be deemed to mean cotton,
 7 wool, grains, tobacco, and flaxseed, or any of them. As used in this
 8 act, "person" includes a corporation or partnership of two or more
 9 persons having a joint or common interest; "warehouseman" means
 10 a person lawfully engaged in the business of storing agricultural
 11 products; and "receipt" means a warehouse receipt.

1 SEC. 2. **Powers of board of railroad commissioners.** The com-
 2 missioners are authorized to investigate the storage, warehousing,
 3 classifying according to grade and otherwise, weighing, and certifica-
 4 tion of agricultural products; upon application to them by any per-
 5 son applying for license to conduct a warehouse under this act, to in-
 6 spect such warehouse or cause it to be inspected; at any time, with
 7 or without application to them, to inspect or cause to be inspected all
 8 warehouses licensed under this act; to determine whether warehouses
 9 for which licenses are applied for or have been issued under this act
 10 are suitable for the proper storage of any agricultural product or
 11 products; to classify warehouses licensed or applying for a license in
 12 accordance with their ownership, location, surroundings, capacity,
 13 conditions, and other qualities, and as to the kinds of licenses issued
 14 or that may be issued for them pursuant to this act; and to prescribe,
 15 within the limitations of this act, the duties of the warehousemen
 16 conducting warehouses licensed under this act with respect to their
 17 care of and responsibility for agricultural products stored therein.

1 SEC. 3. **License.** The commissioners are authorized, upon ap-
 2 plication to them, to issue to any warehouseman a license for the con-
 3 duct of a warehouse or warehouses in accordance with this act and
 4 such rules and regulations as may be made hereunder: Provided,
 5 that each such warehouse be found suitable for the proper storage of
 6 the particular agricultural product or products for which a license is
 7 applied for, and that such warehouseman agree, as a condition to the
 8 granting of the license, to comply with and abide by all the terms of
 9 this act and the rules and regulations prescribed hereunder.

1 SEC. 4. **Tenure of license—renewal.** Each license issued under
 2 section three (3) of this act shall be issued for a period not exceeding
 3 one year, and shall specify the date upon which it is to terminate, and
 4 upon showing satisfactory to the commissioners may from time to
 5 time be renewed or extended by a written instrument, which shall
 6 specify the date of its termination.

1 **SEC. 5. Bond by licensee—revocation of license.** Each ware-
2 houseman applying for a license to conduct a warehouse in accordance
3 with this act shall, as a condition to the granting thereof, execute
4 and file with the commissioners a good and sufficient bond other than
5 personal security to the state of Iowa to secure the faithful perform-
6 ance of his obligations as a warehouseman under the terms of this act
7 and the rules and regulations prescribed hereunder, and of such addi-
8 tional obligations as a warehouseman as may be assumed by him under
9 contracts with the respective depositors of agricultural products in
10 such warehouse. Said bond shall be in such form and amount, shall
11 have such surety or sureties, subject to service of process in suits on
12 the bond and shall contain such terms and conditions as the commis-
13 sioners may prescribe to carry out the purposes of this act, including
14 the requirements of fire insurance. Whenever the commissioners shall
15 determine that a bond approved by them is, or for any cause has be-
16 come insufficient, they may require an additional bond or bonds to be
17 given by the warehouseman concerned, conforming with the require-
18 ments of this section, and unless the same be given within the time
19 fixed by a written demand therefor the license of such warehouse-
20 man may be suspended or revoked; provided, however, that no bond
21 shall be required of any warehouse licensed and bonded under the
22 provisions of the United States Warehouse Act.

1 **SEC. 6. Action on bond.** Any person injured by the breach of
2 any obligation to secure which a bond is given, under the provisions
3 of sections five or eight, shall be entitled to sue on the bond in his own
4 name in any court of competent jurisdiction to recover the damages
5 he may have sustained by such breach.

1 **SEC. 7. "Bonded warehouse."** Upon the filing with the approv-
2 al by the commissioners of a bond, in compliance with this act, for
3 the conduct of a warehouse, such warehouse shall be designated as
4 bonded hereunder; but no warehouse shall be designated as bonded
5 under this act, and no name or description conveying the impression
6 that it is so bonded, shall be used, until a bond, such as provided for
7 in section five, has been filed with and approved by the commissioners,
8 nor unless the license issued under this act for the conduct of such
9 warehouse remains unsuspended and unrevoked.

1 **SEC. 8. License and examination fee.** The commissioners shall
2 charge, assess, and cause to be collected a reasonable fee for every
3 examination or inspection of a warehouse under this act when such
4 examination or inspection is made upon application of a warehouse-
5 man, and a fee not exceeding two dollars (\$2.00) per annum for each
6 license or renewal thereof issued to a warehouseman under this act.
7 All such fees shall be deposited and covered into the treasury as mis-
8 cellaneous receipts.

1 **SEC. 9. License to classify, grade and weigh.** The commission-
2 ers may, upon presentation of satisfactory proof of competency, issue
3 to any person a license to classify any agricultural product or prod-
4 ucts, stored or to be stored in a warehouse licensed under this act,
5 according to grade or otherwise and to certificate the grade or other
6 class thereof, or to weigh the same and certificate the weight thereof,
7 or both to classify and weigh the same and to certificate the grade
8 or other class and the weight thereof, upon condition that such per-

9 son agree to comply with and abide by the terms of this act and of the
10 rules and regulations prescribed hereunder so far as the same relate
11 to him.

1 **SEC. 10. Suspension or revocation.** Any license issued to any
2 person to classify or to weigh any agricultural product or products
3 under this act may be suspended or revoked by the commissioners
4 whenever they are satisfied, after opportunity afforded to the li-
5 censee concerned for a hearing, that such licensee has failed to clas-
6 sify or to weigh any agricultural product or products correctly, or has
7 violated any of the provisions of this act or of the rules and regula-
8 tions prescribed hereunder, so far as the same may relate to him, or
9 that he has used his license or allowed it to be used for any improper
10 purpose whatsoever. Pending investigation, the commissioners when-
11 ever they deem necessary, may suspend a license temporarily without
12 hearing.

1 **SEC. 11. Duty to receive for storage—non-discrimination.**
2 Every warehouseman conducting a warehouse licensed under this act
3 shall receive for storage therein, so far as its capacity permits, any
4 agricultural product of the kind customarily stored therein by him
5 which may be tendered to him in a suitable condition for warehous-
6 ing, in the usual manner in the ordinary and usual course of business,
7 without making any discrimination between persons desiring to avail
8 themselves of warehouse facilities.

1 **SEC. 12. Presumption in re deposit.** Any person who deposits
2 agricultural products for storage in a warehouse licensed under this
3 act shall be deemed to have deposited the same subject to the terms
4 of this act and the rules and regulations prescribed hereunder.

1 **SEC. 13. Inspection and gradation.** Grain, flaxseed, or any
2 other fungible agricultural product stored in a warehouse licensed
3 under this act shall be inspected and graded by a person duly licensed
4 to grade the same, provided, however, that the commissioners may
5 waive such inspection in the case of warehouse licensed under the
6 provisions of the United States Warehouse Act.

1 **SEC. 14. Separate deposits—intermingled deposits.** Every ware-
2 houseman conducting a warehouse licensed under this act shall
3 keep the agricultural products therein of one depositor so far sepa-
4 rate from agricultural products of other depositors, and from other
5 agricultural products of the same depositor for which a separate re-
6 ceipt has been issued, as to permit at all times the identification and
7 redelivery of the agricultural products deposited; but if authorized
8 by agreement or by custom, a warehouseman may mingle fungible
9 agricultural products with other agricultural products of the same
10 kind and grade, and shall be severally liable to each depositor for the
11 care and redelivery of his share of such mass, to the same extent and
12 under the same circumstances as if the agricultural products had been
13 kept separate, but he shall at no time while they are in his custody
14 mix fungible agricultural products of different grades.

1 **SEC. 15. Receipts.** For all agricultural products stored in a
2 warehouse licensed under this act original receipts shall be issued by
3 the warehouseman conducting the same, but no receipts shall be issued

4 except for agricultural products actually stored in the warehouse at
5 the time of the issuance thereof.

1 SEC. 16. Form and contents of receipts. Every receipt issued
2 for agricultural products stored in a warehouse licensed under this
3 act shall embody within its written or printed terms

4 (a) The location of the warehouse in which the agricultural prod-
5 ucts are stored;

6 (b) The date of issue of the receipt;

7 (c) The consecutive number of the receipt;

8 (d) A statement whether the agricultural products received will
9 be delivered to the bearer, to a specified person or to a specified person
10 or his order;

11 (e) The rate of storage charges;

12 (f) A description of the agricultural products received, showing
13 the quantity thereof, or, in case of agricultural products customarily
14 put up in bales or packages, a description of such bales or packages
15 by marks, numbers, or other means of identification and the weight
16 of such bales or packages;

17 (g) The grade or other class of the agricultural products received
18 and the standard or description in accordance with which such clas-
19 sification has been made: Provided, that such grade or other class
20 shall be stated according to the official standard of the United States
21 applicable to such agricultural products as the same may be fixed
22 and promulgated: Provided further, that until such official standards
23 of the United States for any agricultural product or products have
24 been fixed and promulgated, the grade or other class thereof may be
25 stated in accordance with any recognized standard or in accordance
26 with such rules and regulations not inconsistent herewith as may be
27 prescribed by the secretary of agriculture of the United States.

28 (h) A statement that the receipt is issued subject to the United
29 States warehouse act and the rules and regulations prescribed there-
30 under.

31 (i) If the receipt be issued for agricultural products of which the
32 warehouseman is owner, either solely or jointly or in common with
33 others, the fact of such ownership.

34 (j) A statement of the amount of advances made and of liabilities
35 incurred for which the warehouseman claims a lien: Provided, that
36 if the precise amount of such advances made or of such liabilities in-
37 curred be at the time of the issue of the receipt unknown to the ware-
38 houseman or his agent who issues it, a statement of the fact that
39 advances have been made or liabilities incurred and the purpose
40 thereof shall be sufficient.

41 (k) Such other terms and conditions as may be required by the
42 said secretary of agriculture; and

43 (l) The signature of the warehouseman, which may be made by
44 his authorized agent: Provided, that is when requested by the de-
45 positor of other than fungible agricultural products, a receipt omit-
46 ting compliance with subdivision (g) of this section may be issued if
47 it have plainly and conspicuously embodied in its written or printed
48 terms a provision that such receipt is not negotiable.

1 SEC. 17. Standards authorized. The commissioners [are] au-
2 thorized from time to time, to establish and promulgate standards for
3 agricultural products in this act defined by which their quality or

4 value may be judged or determined: Provided, that the standards
5 for any agricultural products which have been or which in future may
6 be established by or under authority of any act of congress shall be,
7 and are hereby, adopted for the purposes of this act as the official
8 standards for the agricultural products to which they relate.

1 **SEC. 18. Original and duplicate receipts.** While an original
2 receipt issued under this act is outstanding and uncanceled by the
3 warehouseman issuing the same no other or future receipt shall be
4 issued for the agricultural product covered thereby or for any part
5 thereof, except that in the case of a lost or destroyed receipt a new
6 receipt, upon the same terms and subject to the same conditions and
7 bearing on its face the number and date of the receipt in lieu of which
8 it is issued, may be issued upon compliance with the statutes of the
9 United States applicable thereto and with the laws of this state.

1 **SEC. 19. Delivery of deposits.** A warehouseman conducting a
2 warehouse licensed under this act, in the absence of some lawful ex-
3 cuse, shall, without unnecessary delay, deliver the agricultural prod-
4 ucts stored therein upon a demand made either by the holder of a re-
5 ceipt for such agricultural products or by the depositor thereof if
6 such demand be accompanied with (a) an offer to satisfy the ware-
7 houseman's lien; (b) an offer to surrender the receipt, if negotiable,
8 with such indorsements as would be necessary for the negotiation of
9 the receipt; and (c) a readiness and willingness to sign, when the
10 products are delivered, an acknowledgement that they have been de-
11 livered if such signature is requested by the warehouseman.

1 **SEC. 20. Cancellation of receipts.** A warehouseman conducting
2 a warehouse licensed under this act shall plainly cancel upon the face
3 thereof each receipt returned to him upon the delivery by him of the
4 agricultural products for which the receipt was issued.

1 **SEC. 21. Records required.** Every warehouseman conducting a
2 warehouse licensed under this act shall keep in a place of safety com-
3 plete and correct records of all agricultural products stored therein
4 and withdrawn therefrom, of all warehouse receipts issued by him,
5 and of the receipts returned to and cancelled by him, shall make re-
6 ports to the commissioners concerning such warehouse and the condi-
7 tion, contents, operation, and business thereof in such form and at
8 such times as commissioners may require, and shall conduct said
9 warehouse in all other respects in compliance with this act and the
10 rules and regulations made hereunder.

1 **SEC. 22. Examinations by commissioners.** The commissioners
2 are authorized to cause examinations to be made of any agricultural
3 product stored in any warehouse licensed under this act. Whenever,
4 after opportunity for hearing is given to the warehouseman conduct-
5 ing such warehouse, it is determined that he is not performing fully
6 the duties imposed on him by this act and the rules and regulations
7 made hereunder, the commissioners may publish their findings.

1 **SEC. 23. Revocation of license.** The commissioners may, after
2 opportunity for hearing has been afforded to the licensee concerned,
3 suspend or revoke any license issued to any warehouseman conduct-
4 ing a warehouse under this act, for any violation of or failure to com-
5 ply with any provision of this act or of the rules and regulations made

6 hereunder or upon the ground that unreasonable or exorbitant charges
7 have been made for services rendered. Pending investigation, the
8 commissioners, whenever they deem necessary, may suspend a li-
9 cense temporarily without hearing.

1 SEC. 24. **Publications authorized.** The commissioners from time
2 to time may publish the results of any investigations made under
3 section two (2) of this act; and he shall publish the names and loca-
4 tions of warehouses licensed and bonded and the names and addresses
5 of persons licensed under this act and lists of all licenses terminated
6 under this act and the causes therefor.

1 SEC. 25. **General examinations.** The commissioners are author-
2 ized through their officials, employees, or agents designated by them
3 to examine all books, records, papers, and accounts of warehouses
4 licensed under this act and of the warehousemen conducting such
5 warehouses relating thereto.

1 SEC. 26. **Rules and regulations.** The commissioners shall from
2 time to time make such rules and regulations as they may deem nec-
3 essary for the efficient execution of the provisions of this act.

1 SEC. 27. **Cooperation with federal government.** The commis-
2 sioners are hereby authorized to cooperate with the secretary of agri-
3 culture of the United States and with officials designated by him
4 for such duties in the enforcement of the provisions of the United
5 States Warehouse Act.

1 SEC. 28. **Penalty.** Every person who shall forge, alter, counter-
2 feit, simulate, or falsely represent, or shall without proper authority
3 use, any license issued under this act, or who shall violate or fail to
4 comply with any provision of section seven (7) of this act, or who
5 shall issue or utter a false or fraudulent receipt or certificate, shall
6 be deemed guilty of a misdemeanor, and upon conviction thereof
7 shall be fined not more than five hundred dollars (\$500.00) or impris-
8 oned not more than six months, or both, in the discretion of the court.

Approved April 4, A. D. 1921.

CHAPTER 120

MUTUAL INSURANCE ASSOCIATIONS

H. F. 391

AN ACT to provide for the organization, regulation, taxation and operation of mutual insurance associations, also to repeal chapter five (5), title nine (IX) of the code, and amendments thereto, (C. C. Sec. 5682, chapter 8), and to enact a substitute therefor.

Be it enacted by the General Assembly of the State of Iowa:

1 SECTION 1. **Repeal.** That chapter five (5), title nine (IX) of
2 the code, (C. C. Sec. 5682, chapter 8) be repealed and the following
3 enacted in lieu thereof: