

By: Senator(s) Younger, McCaughn, Suber

To: Agriculture

SENATE BILL NO. 2479

1 AN ACT TO REVISE THE REQUIREMENTS OF THE "MISSISSIPPI GRAIN  
 2 WAREHOUSE LAW" AND THE "MISSISSIPPI GRAIN DEALERS LAW" BY  
 3 PROVIDING FOR A COMBINED GRAIN HANDLER LICENSE ISSUED AND  
 4 REGULATED BY THE MISSISSIPPI COMMISSIONER OF AGRICULTURE AND  
 5 COMMERCE; TO AMEND SECTIONS 75-44-1 THROUGH 75-44-71, MISSISSIPPI  
 6 CODE OF 1972, TO PROVIDE DEFINITIONS, PRESCRIBE REQUIREMENTS FOR  
 7 THE NECESSITY OF OBTAINING A GRAIN HANDLER LICENSE, TO PRESCRIBE  
 8 CERTAIN APPLICATION AND RENEWAL FEES FOR SUCH LICENSES, TO  
 9 PRESCRIBE CERTAIN STATUTORY SURETY BOND AMOUNTS REQUIRED FOR  
 10 LICENSED GRAIN HANDLERS, TO REQUIRE GRAIN HANDLER LICENSEES TO  
 11 SUBMIT ANNUAL INDEPENDENT AUDITS WITH THE MISSISSIPPI DEPARTMENT  
 12 OF AGRICULTURE AND COMMERCE AS LICENSING AGENCY; TO REPEAL  
 13 SECTIONS 75-45-301 THROUGH 75-45-315, MISSISSIPPI CODE OF 1972,  
 14 WHICH IS THE "MISSISSIPPI GRAIN DEALERS LAW OF 1978"; AND FOR  
 15 RELATED PURPOSES.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

17 **SECTION 1.** Section 75-44-1, Mississippi Code of 1972, is  
 18 amended as follows:

19 75-44-1. This chapter shall be known as the "Mississippi  
 20 Grain \* \* \* Handler Law of 2022."

21 **SECTION 2.** Section 75-44-3, Mississippi Code of 1972, is  
 22 amended as follows:

23 75-44-3. (1) The provisions of this \* \* \* act shall apply  
 24 to all grain warehouses and to the operations of such grain



25 warehouses whether or not any of the grain therein is owned by  
26 the \* \* \* grain handler.

27 (2) The provisions and definitions of the Uniform Commercial  
28 Code relating to warehouse receipts to the extent not inconsistent  
29 with this \* \* \* act shall govern warehouse receipts issued by  
30 grain \* \* \* handlers.

31 **SECTION 3.** Section 75-44-5, Mississippi Code of 1972, is  
32 amended as follows:

33 75-44-5. When used in this chapter:

34 (a) "Person" includes individuals, corporations,  
35 partnerships and all associations of two (2) or more persons  
36 having a joint or common interest.

37 (b) The term "commissioner" shall mean the Commissioner  
38 of the Mississippi Department of Agriculture and Commerce, or his  
39 designated representative.

40 (c) "Grain" shall mean all grains for which standards  
41 have been established pursuant to the United States Grain  
42 Standards Act, as amended, and rice as defined by the Agriculture  
43 Marketing Act of 1946, as amended.

44 (d) "Stored grain" shall mean any grain received in any  
45 grain warehouse, located in this state, if same is not purchased  
46 and beneficially owned by the grain \* \* \* handler.

47 (e) "Grain handler" or "handler" means any person  
48 engaged in the business of buying grain from producers thereof for  
49 resale or for milling or processing or a person who operates a



50 warehouse or other facility or group of facilities in which grain  
51 is or may be stored for compensation. A producer of grain buying  
52 grain for his own use as seed or feed shall not be considered as  
53 being engaged in business as a grain handler.

54 ( \* \* \* f) "Grain warehouse" shall mean any structure or  
55 combination of structures operated together, including the  
56 machinery and equipment used in connection therewith, in or by  
57 means or which grain is unloaded, elevated, stored, loaded for  
58 shipment, dried, cleaned, weighed, treated, conditioned or  
59 otherwise handled from producers of grain.

60 ( \* \* \* g) "Grain \* \* \* handler" shall mean any person  
61 who operates a grain warehouse as herein defined.

62 ( \* \* \* h) "Inspector" shall mean a person authorized by  
63 the \* \* \* grain handler to weigh, inspect, grade and/or  
64 certificate the weight and grade of grain stored or to be stored  
65 in a grain warehouse.

66 ( \* \* \* i) "Warehouse receipt" shall mean a negotiable  
67 grain storage receipt and/or a nonnegotiable scale ticket given by  
68 a grain warehouse.

69 **SECTION 4.** Section 75-44-7, Mississippi Code of 1972, is  
70 amended as follows:

71 75-44-7. The commissioner shall carry out and enforce the  
72 provisions of this \* \* \* act and is hereby empowered to promulgate  
73 rules and regulations to carry out necessary inspections and to  
74 appoint and fix the duties of his personnel and provide such



75 equipment as may be necessary to assist him in enforcing the  
76 provisions thereof.

77 **SECTION 5.** Section 75-44-9, Mississippi Code of 1972, is  
78 amended as follows:

79 75-44-9. (1) No person shall (a) operate a grain warehouse  
80 with over one million (1,000,000) bushels of licensed capacity; or  
81 (b) issue a warehouse receipt for such grain warehouse; or (c)  
82 operate as a grain handler selling, transferring or storing over  
83 one million (1,000,000) bushels or more annually, without first  
84 having obtained a license \* \* \* under the provisions of the United  
85 States Warehouse Act, as amended.

86 (2) No person shall (a) operate a grain warehouse with over  
87 fifty thousand (50,000) and less than one million (1,000,000)  
88 bushels of licensed capacity; or (b) issue a warehouse receipt for  
89 such grain warehouse; or (c) operate as a grain handler selling,  
90 transferring or storing over fifty thousand (50,000) and less than  
91 one million (1,000,000) bushels annually, without first having  
92 obtained either a license under the provisions of the United  
93 States Warehouse Act, as amended, or a grain handler license from  
94 the Mississippi Department of Agriculture and Commerce under the  
95 provisions of this act.

96 (3) Any person who (a) operates a grain warehouse with less  
97 than fifty thousand (50,000) bushels of licensed capacity; or (b)  
98 issues a warehouse receipt for such grain warehouse; or (c)  
99 operates as a grain handler selling, transferring or storing less



100 than fifty thousand (50,000) bushels annually, shall not be  
101 required to have a license issued by the United States Warehouse  
102 Act or by the Mississippi Department of Agriculture and Commerce  
103 under this act.

104       **SECTION 6.** Section 75-44-11, Mississippi Code of 1972, is  
105 amended as follows:

106       75-44-11. (1) Applications for combined grain handler  
107 licenses under this \* \* \* act are to be made on forms prescribed  
108 by the commissioner for each separate warehouse and grain  
109 handler's place of business, or, if an applicant owns more than  
110 one (1) warehouse or grain handler's place of business at any one  
111 (1) location, which does not exceed eight (8) miles in distance,  
112 then all the warehouses and grain handler offices at that location  
113 may be included in one (1) application. Every application is to  
114 be accompanied by an application fee of \* \* \* Five Hundred Dollars  
115 (\$500.00) and a certified financial statement in a form prescribed  
116 by the commissioner and such further information as the  
117 commissioner may by regulation require.

118       (2) Grain handler licenses shall be nontransferrable.

119       **SECTION 7.** Section 75-44-13, Mississippi Code of 1972, is  
120 amended as follows:

121       75-44-13. Prior to the issuance of a license, every  
122 applicant shall pay an annual license fee based upon the capacity  
123 of the warehouse, such fee to be determined by the commissioner,  
124 but not to exceed \* \* \* Two Hundred Fifty Dollars (\$250.00).



125           **SECTION 8.** Section 75-44-15, Mississippi Code of 1972, is  
126 amended as follows:

127           75-44-15. If a grain \* \* \* handler desires to renew his  
128 license for an additional year, application for such renewal shall  
129 be made on a form prescribed by the commissioner. At least sixty  
130 (60) days prior to the expiration of each license, the  
131 commissioner shall notify each grain \* \* \* handler of the date of  
132 such expiration and furnish such grain \* \* \* handler with the  
133 renewal form.

134           **SECTION 9.** Section 75-44-17, Mississippi Code of 1972, is  
135 amended as follows:

136           75-44-17. Before a license to \* \* \* operate as a grain  
137 handler is granted under Section 75-44-23, the grain \* \* \* handler  
138 shall file with the commissioner a copy of his schedule of charges  
139 for storage and other services. If the grain \* \* \* handler  
140 desires to make any change in the schedule of charges during the  
141 license period, he shall file with the commissioner a statement in  
142 writing showing the change at least thirty (30) days prior to its  
143 effective date. Each grain \* \* \* handler shall keep conspicuously  
144 posted the schedule of charges for storage and other services as  
145 so filed, and shall strictly adhere to these charges.

146           **SECTION 10.** Section 75-44-19, Mississippi Code of 1972, is  
147 amended as follows:

148           75-44-19. Immediately upon receipt of his license or of any  
149 modification or extension thereof, the grain \* \* \* handler shall



150 post same and thereafter keep it posted until suspended or  
151 terminated in a conspicuous place in the office of the grain  
152 warehouse or place of business to which such license applies where  
153 receipts issued by such grain \* \* \* handler are delivered to  
154 depositors.

155         **SECTION 11.** Section 75-44-21, Mississippi Code of 1972, is  
156 amended as follows:

157         75-44-21. (1) Each grain \* \* \* handler shall have and  
158 maintain above all exemptions and liabilities, total net assets  
159 available for the payment of any indebtedness arising from the  
160 conduct of the grain warehouse or grain handler's place of  
161 business in an amount equal to at least Twenty Cents (20¢)  
162 multiplied by the maximum number of bushels of grain for which the  
163 grain \* \* \* handler is licensed, provided that no person may be  
164 licensed as a grain \* \* \* handler under the regulations \* \* \*  
165 under this act unless he has available net assets of at least  
166 Twenty Thousand Dollars (\$20,000.00); and provided further, that  
167 any deficiency in net assets required above the minimum of Twenty  
168 Thousand Dollars (\$20,000.00) may, at the discretion of the  
169 commissioner, be supplied by a commensurate increase in the amount  
170 of the grain \* \* \* handler's bond furnished pursuant to Sections  
171 75-44-29, 75-44-31, 75-44-33 and 75-44-35. In determining total  
172 available net assets, credit may be given for insurable assets  
173 such as buildings, machinery, equipment and merchandise inventory  
174 only to the extent of the current market value of such assets and



175 only to the extent that such assets are protected by insurance  
176 against loss or damage. Such insurance shall be in the form of  
177 lawful policies issued by one or more insurance companies  
178 authorized to do business and subject to service of process in  
179 suits brought in this state, and which provide that no  
180 cancellation shall be effective unless thirty (30) days' advance  
181 notice of such cancellation is given to the commissioner.

182 (2) If a grain \* \* \* handler is licensed or is applying for  
183 license to operate two (2) or more grain warehouses or grain  
184 handler's places of business, the maximum total number of bushels  
185 which all such facilities will accommodate when stored in the  
186 manner customary to the warehouses, or sold/transferred at the  
187 grain handler's place of business, as determined by the  
188 commissioner, shall be considered in determining whether the  
189 grain \* \* \* handler meets the available net assets requirement of  
190 subsection (1) of this section.

191 (3) For the purposes of subsections (1) and (2) of this  
192 section only, capital stock as such shall not be considered a  
193 liability.

194 **SECTION 12.** Section 75-44-23, Mississippi Code of 1972, is  
195 amended as follows:

196 75-44-23. (1) Upon satisfaction of Sections 75-44-9 through  
197 75-44-21, and 75-44-29 through 75-44-33, and any applicable  
198 regulations by an applicant, the commissioner shall issue a  
199 license to operate a grain warehouse.





200 (2) If after proper application, the commissioner denies any  
201 person, partnership, association or corporation a license to  
202 operate a grain warehouse, the commissioner shall transmit  
203 immediately to said applicant by certified mail an order so  
204 providing which shall state the reasons for said denial. In the  
205 event the applicant is dissatisfied at the decision of the  
206 commissioner, the applicant may request a hearing within ninety  
207 (90) days with the commissioner to appear and defend its  
208 compliance with all appropriate regulations and/or give evidence  
209 that all deficiencies have been corrected. If after said hearing,  
210 the commissioner denies applicant a license, the commissioner  
211 shall transmit immediately to applicant by certified mail an order  
212 so providing which shall state the reasons for said denial. In  
213 the event the applicant is dissatisfied at the decision of the  
214 commissioner after the hearing, the applicant may appeal to the  
215 chancery court of the county where the grain warehouse or grain  
216 handler's place of business is located within thirty (30) days of  
217 the date of said order in accordance with the provisions of  
218 subsection (2) of Section 75-44-25.

219 **SECTION 13.** Section 75-44-25, Mississippi Code of 1972, is  
220 amended as follows:

221 75-44-25. (1) If a grain \* \* \* handler is convicted of any  
222 crime involving fraud or deceit or if the commissioner determines  
223 that any grain \* \* \* handler has violated any of the provisions of  
224 this chapter, or any of the rules and regulations adopted by the



225 commissioner pursuant to this chapter, the commissioner may, at  
226 his discretion, suspend, cancel or revoke the license of such  
227 grain \* \* \* handler.

228 (2) All proceedings for the suspension, cancellation or  
229 revocation of licenses shall be before the commissioner, and the  
230 proceedings shall be in accordance with rules and regulations  
231 which shall be adopted by the commissioner. No license shall be  
232 cancelled or revoked except after a hearing before the  
233 commissioner upon reasonable notice to the licensee and an  
234 opportunity to appear and defend. The commissioner may  
235 temporarily suspend the license of a licensee for good and  
236 reasonable cause before notice or hearing and the licensee shall  
237 be entitled to a hearing on such temporary suspension without  
238 undue delay. Whenever the commissioner shall suspend, cancel or  
239 revoke any license he shall prepare an order so providing which  
240 shall state the reason or reasons for such suspension,  
241 cancellation or revocation. Said order shall be sent, by  
242 certified mail, by the commissioner to the licensee at the address  
243 of the grain warehouse licensed. Within thirty (30) days after  
244 the mailing of said order, the licensee, if dissatisfied with the  
245 order of the commissioner, may appeal to the chancery court of the  
246 county where the grain warehouse is located by filing a written  
247 notice of appeal alleging the pertinent facts upon which such  
248 appeal is grounded. At the time of the filing of the appeal, the  
249 appellant shall give a bond for costs conditioned upon his



250 prosecution of the appeal without delay and payment of all costs  
251 assessed against him. Appeal may be with supersedeas and shall be  
252 subject to the provisions of Section 11-51-31.

253 (3) In case a license issued to a grain \* \* \* handler  
254 expires or is suspended, revoked or cancelled by the commissioner  
255 or his designated representative, such license shall be  
256 immediately returned to the commissioner and the grain \* \* \*  
257 handler shall forthwith comply with the provisions of Section  
258 75-44-67.

259 **SECTION 14.** Section 75-44-27, Mississippi Code of 1972, is  
260 amended as follows:

261 75-44-27. Upon satisfactory proof of the loss or destruction  
262 of a license issued to a grain \* \* \* handler, a duplicate thereof,  
263 or a new license, may be issued under the same number.

264 **SECTION 15.** Section 75-44-29, Mississippi Code of 1972, is  
265 amended as follows:

266 75-44-29. (1) Before any person is granted a license  
267 pursuant to Section 75-44-23 such person shall give a bond to the  
268 commissioner executed by the grain \* \* \* handler as principal and  
269 by a corporate surety licensed to do business in this state as a  
270 surety in the amount prescribed in Section 75-44-31. The bond  
271 shall be in favor of the commissioner for the benefit of all  
272 persons interested, their legal representatives, attorneys or  
273 assigns, conditioned upon the faithful compliance by the  
274 grain \* \* \* handler with the provisions of this chapter and the



275 rules and regulations of the State Department of Agriculture and  
276 Commerce applicable thereto. The aggregate liability of the  
277 surety to all depositors or storers or purchasers of grain shall  
278 not exceed the sum of such bond. The bond may be cancelled at any  
279 time by the surety by giving written notice to the Commissioner of  
280 Agriculture and Commerce of its intention to cancel the bond and  
281 all liability thereunder shall terminate thirty-five (35) days  
282 after the mailing of such notice except that such notice shall not  
283 affect any claims arising under the bond, whether presented or  
284 not, before the effective date of the cancellation notice.

285 (2) In lieu of the bond required in subsection (1) of this  
286 section an applicant for a license may be a self-insurer by  
287 posting with the commissioner any of the following:

288 (a) Cash;

289 (b) Certificates of deposit from any bank or banking  
290 corporation insured by the Federal Deposit Insurance Corporation;

291 (c) Irrevocable letters of credit from any bank or  
292 banking corporation insured by the Federal Deposit Insurance  
293 Corporation;

294 (d) Federal Treasury Bills; or

295 (e) Notes, securities or bonds secured by the federal  
296 government or the State of Mississippi.

297 Self-insurers shall post an amount equivalent to the amount  
298 of the bond required in Section 75-44-31.



299           **SECTION 16.** Section 75-44-31, Mississippi Code of 1972, is  
300 amended as follows:

301           75-44-31. (1) The amount of bond to be furnished for each  
302 grain warehouse shall be fixed at a rate of Twenty-five Cents  
303 (25¢) per bushel for the first one million (1,000,000) bushels of  
304 licensed capacity; \* \* \* provided that in no case shall the amount  
305 of the bond be less than \* \* \* Thirty Thousand Dollars  
306 (\$30,000.00) or more than \* \* \* Two Hundred Fifty Thousand Dollars  
307 (\$250,000.00), except as prescribed in subsection (3) of this  
308 section. The licensed capacity shall be equal to the maximum  
309 number of bushels of grain that the grain warehouse can  
310 accommodate for storage or the amount sold or transferred by the  
311 licensee acting as a grain handler. In no event shall the  
312 liability of the surety accumulate for each successive license  
313 period during which this bond is in force, but shall be limited in  
314 the aggregate to the bond amount or changed by appropriate rider  
315 or endorsement.

316           (2) A grain \* \* \* handler who is licensed or is applying for  
317 licenses to operate two (2) or more grain warehouses or places of  
318 grain-handling business may give a single-bond meeting the  
319 requirements of this chapter to cover all such grain warehouses or  
320 businesses within the state. In such cases all grain warehouses  
321 or grain-handling businesses to be covered by the bond shall be  
322 deemed to be one (1) warehouse or place of business for purposes



323 of determining the amount of bond required under subsection (1) of  
324 this section.

325 (3) In case of a deficiency in the net assets required by  
326 Section 75-44-21, there shall be added to the amount of the bond,  
327 determined in accordance with subsection (1) of this section, an  
328 amount equal to such deficiency. In any other case in which the  
329 commissioner finds that conditions exist which warrant requiring  
330 additional bond, there shall be added to the amount of bond such  
331 further amount as is determined to be reasonable by the  
332 commissioner.

333 (4) The commissioner may, when he questions a grain  
334 handler's ability to pay producers for grain purchased, require a  
335 grain handler to post an additional bond in a dollar amount deemed  
336 appropriate by the commissioner. Failure to post such additional  
337 bond or certificate of deposit or irrevocable letter of credit,  
338 constitutes grounds for suspension or revocation of a license  
339 issued under this act.

340 **SECTION 17.** Section 75-44-33, Mississippi Code of 1972, is  
341 amended as follows:

342 75-44-33. If an application is made for an amendment to a  
343 license and no bond previously filed by the grain \* \* \* handler  
344 under Sections 75-44-29 and 75-44-31 covers obligations arising  
345 during the period covered by such amendment, the grain \* \* \*  
346 handler shall file with the commissioner an additional bond in  
347 such amount as may be determined by the commissioner.



348           **SECTION 18.** Section 75-44-35, Mississippi Code of 1972, is  
349 amended as follows:

350           75-44-35. (1) It shall be the duty of the grain \* \* \*  
351 handler to deliver grain to the holder of a warehouse receipt  
352 within ten (10) days of the demand for the redemption of such  
353 receipt. In the event the grain \* \* \* handler fails to deliver  
354 grain to the holder of a warehouse receipt within ten (10) days of  
355 the demand, the holder of the warehouse receipt may make demand of  
356 the surety for payment under the bond. The surety has the  
357 responsibility to pay within fifteen (15) days following receipt  
358 by the surety of the notice of the demand for redemption. Any  
359 holder of a warehouse receipt issued by a grain \* \* \* handler who  
360 has made demand for redemption of such receipt, which demand was,  
361 without lawful excuse, not satisfied within ten (10) days, shall  
362 notify the commissioner in writing and shall have the right to  
363 bring action against the grain \* \* \* handler and the surety on the  
364 grain \* \* \* handler's bond for payment of the market value of the  
365 grain represented by such warehouse receipt, such market value to  
366 be determined as of the date of the demand, plus legal interest  
367 accrued from the date of the demand. In the event the grain \* \* \*  
368 handler is a self-insurer as provided in Section 75-44-29 the  
369 holder of a warehouse receipt shall have the right to bring action  
370 against the grain \* \* \* handler to the extent of the amount posted  
371 in lieu of the bond. The commissioner shall pay to the holder of  
372 the warehouse receipt, to the extent of the bond posted, any



373 judgment obtained by the holder of a warehouse receipt against a  
374 self-insurer. The commissioner may also pay to the holder of a  
375 warehouse receipt the amount of the market value of the grain  
376 provided that the grain \* \* \* handler agrees to such payment;  
377 provided, however, the license of the grain \* \* \* handler shall be  
378 suspended upon such payment until such time as the \* \* \* handler  
379 posts a bond as provided in this chapter or posts with the  
380 commissioner a sum equivalent to that paid by the commissioner on  
381 behalf of such \* \* \* grain handler.

382 (2) In all actions in which judgment is rendered against any  
383 surety company under the provisions of this section, if it appears  
384 from evidence that the surety company has \* \* \* willfully and  
385 without just cause refused to pay the loss upon demand, the court  
386 in rendering judgment shall allow the plaintiff the amount of the  
387 plaintiff's expenses, including court costs and attorney's fees,  
388 to be recovered and collected as part of the costs. The amount of  
389 any payment of costs and attorney's fees under this subsection  
390 will not reduce the surety's remaining liability on its bond.

391 (3) If a grain handler should fail or refuse to make payment  
392 to a producer for grain purchased when such payment is requested  
393 by the producer and the request is made within thirty (30) days of  
394 the date of sale or the date of delivery of such grain to the  
395 handler, whichever is later, or other period of time specified by  
396 contractual arrangement, the producer shall notify the  
397 commissioner in writing of such failure or refusal within the





398 period of thirty (30) days thereafter. The commissioner upon  
399 receiving such notice shall take whatever action is necessary.  
400 Grain handler liability under priced-later contracts, open-priced  
401 contracts, deferred price contracts, or similar agreements shall  
402 accrue under the bond in effect at the date of default as  
403 determined by the commissioner.

404       **SECTION 19.** Section 75-44-37, Mississippi Code of 1972, is  
405 amended as follows:

406       75-44-37. (1) Every grain \* \* \* handler shall at all times  
407 keep the grain stored in the grain warehouse insured by an  
408 insurance company authorized to do business in this state. The  
409 grain is to be insured for its full-market value against loss by  
410 fire, inherent explosion, lightning and windstorm, and failure to  
411 do so shall make the grain \* \* \* handler liable for the same. All  
412 such policies shall provide that no cancellations shall be  
413 effective unless thirty (30) days' prior notice is given the  
414 commissioner.

415       (2) If fire, inherent explosion, lightning or windstorm  
416 shall destroy or damage all or part of the grain stored in any  
417 grain warehouse, the grain \* \* \* handler shall, upon demand by the  
418 holder of any warehouse receipt for such grain, and upon being  
419 presented with the warehouse receipt, make settlement for the  
420 fair-market value after deducting the warehouse charges.

421       **SECTION 20.** Section 75-44-39, Mississippi Code of 1972, is  
422 amended as follows:



423           75-44-39. Every grain \* \* \* handler shall receive for  
424 storage or shipment, so far as the available capacity for storage  
425 of the grain warehouse shall permit, all grain tendered to him in  
426 the usual course of business; provided, however, a grain warehouse  
427 owned and operated as a cooperative may decline to accept grain  
428 tendered by a nonmember if such cooperative reasonably believes  
429 that its available capacity will be required to serve the members  
430 of the cooperative. All such grain is to be inspected, weighed  
431 and graded by an inspector except that:

432           (a) The depositor and the grain \* \* \* handler may agree  
433 upon a sample taken from the lot of grain to be offered for  
434 storage as being a true and representative sample.

435           (b) The depositor and the grain \* \* \* handler may agree  
436 upon the grade of the grain offered for storage and a warehouse  
437 receipt may be issued on the agreed grade.

438           **SECTION 21.** Section 75-44-41, Mississippi Code of 1972, is  
439 amended as follows:

440           75-44-41. Every grain \* \* \* handler shall keep in a place of  
441 safety complete, separate and correct records and accounts  
442 pertaining to the grain warehouse including, but not limited to,  
443 records and accounts of \* \* \* the number of bushels of grain  
444 received therein and withdrawn therefrom, all unissued receipts  
445 and tickets in its possession, copies of all receipts and tickets  
446 issued by it, and the receipts and tickets returned to and



447 cancelled by it. Such records shall be retained by the  
448 grain \* \* \* handler for a period of five (5) years.

449 **SECTION 22.** Section 75-44-43, Mississippi Code of 1972, is  
450 amended as follows:

451 75-44-43. (1) Every grain warehouse shall be examined by  
452 the commissioner each year. The cost of such examination shall be  
453 included in the annual license fee. The commissioner, at his  
454 discretion, may make additional examinations of any grain  
455 warehouse at any time. If any discrepancy is found as a result of  
456 additional examination, the cost of such examination is to be paid  
457 by the grain \* \* \* handler.

458 (2) Every grain warehouse shall at least annually send to  
459 the commissioner a copy of its financial statement prepared by an  
460 accountant licensed by the State of Mississippi and sworn to by  
461 the accountant and grain \* \* \* handler.

462 (3) The commissioner \* \* \* shall also require an unqualified  
463 audit by an accountant licensed by the State of Mississippi as a  
464 requirement for licensing to be submitted annually directly to the  
465 commissioner, and inspect the grain warehouse's and grain  
466 handler's place of business, mode of conducting the same,  
467 facilities, equipment, inventories, property, books, records,  
468 accounts, papers and minutes of proceedings held at such grain  
469 warehouse or place of business, and any other records deemed  
470 relevant to the operation of the grain warehouse or grain  
471 handler's place of business by the commissioner.



472 (4) All scales used for the weighing of property in grain  
473 warehouses shall be subject to tests by any scale inspector duly  
474 appointed or authorized by the commissioner during regular  
475 business hours.

476 **SECTION 23.** Section 75-44-45, Mississippi Code of 1972, is  
477 amended as follows:

478 75-44-45. Each grain warehouse shall employ, during all  
479 regular business hours, a grain inspector (who may be the  
480 grain \* \* \* handler himself if such grain \* \* \* handler is a  
481 natural person) who shall be responsible for the accuracy of  
482 weights and grades noted on all warehouse receipts.

483 **SECTION 24.** Section 75-44-47, Mississippi Code of 1972, is  
484 amended as follows:

485 75-44-47. (1) If the condition of any grain offered for  
486 storage is such that it probably will affect the condition of  
487 grain in the grain warehouse, the grain \* \* \* handler shall not  
488 receive such grain for storage or store such grain, provided,  
489 however, that if the grain warehouse has separate bins or is  
490 equipped with proper conditioning apparatus, the grain warehouse  
491 may receive such grain for storage in such separate bins or may  
492 condition it and then store it in such a manner as will not lower  
493 the grade of other grain.

494 (2) It shall be the grain \* \* \* handler's duty and  
495 obligation to condition and maintain the quantity and quality of  
496 all grain as receipted.



497           **SECTION 25.** Section 75-44-49, Mississippi Code of 1972, is  
498 amended as follows:

499           75-44-49. (1) Every receipt issued for grain stored in a  
500 grain warehouse shall conform to the requirements of Section  
501 75-7-202 and in addition shall embody within its written or  
502 printed terms:

503                   (a) A statement that the holder of the receipt or the  
504 depositor of the grain shall demand the delivery of the grain on  
505 or before a date not later than one (1) year from the date  
506 specified thereon by the grain \* \* \* handler;

507                   (b) The net weight, number of bushels, percentage of  
508 dockage and the grading factors and the grade.

509           (2) A grain \* \* \* handler shall not insert any language in  
510 any warehouse receipt or make any contract with respect to any  
511 warehouse receipt which purports to limit the liabilities or  
512 responsibilities imposed on him by law.

513           (3) The possession of an indorsed warehouse receipt shall be  
514 prima facie evidence of grain in storage and the rightful  
515 ownership of such document and grain.

516           **SECTION 26.** Section 75-44-51, Mississippi Code of 1972, is  
517 amended as follows:

518           75-44-51. The commissioner shall require that at least one  
519 (1) actual or skeleton copy of all receipts shall be made and all  
520 copies shall have clearly and conspicuously printed or stamped  
521 thereon the words "Copy-Not Negotiable."



522           **SECTION 27.** Section 75-44-53, Mississippi Code of 1972, is  
523 amended as follows:

524           75-44-53. The form of all receipts shall be approved by the  
525 commissioner. The commissioner shall be authorized to have  
526 printed by the state printer all warehouse receipts issued by  
527 grain \* \* \* handlers.

528           **SECTION 28.** Section 75-44-55, Mississippi Code of 1972, is  
529 amended as follows:

530           75-44-55. If a grain \* \* \* handler delivers only a part of a  
531 lot of grain for which he has issued a negotiable receipt under  
532 this chapter, he shall take up and cancel such receipt and issue a  
533 new receipt in accordance with the provisions of Sections 75-44-49  
534 through 75-44-65 for the undelivered portion of grain.

535           **SECTION 29.** Section 75-44-57, Mississippi Code of 1972, is  
536 amended as follows:

537           75-44-57. A grain \* \* \* handler shall not deliver grain for  
538 which he has issued a negotiable receipt until the receipt has  
539 been returned to him and cancelled, and shall not deliver grain  
540 for which he has issued a nonnegotiable receipt until he has  
541 received authority from the person lawfully entitled to such  
542 delivery, or his authorized agent.

543           **SECTION 30.** Section 75-44-59, Mississippi Code of 1972, is  
544 amended as follows:

545           75-44-59. The commissioner shall require that all warehouse  
546 receipts issued by a grain warehouse shall be numbered



547 consecutively, and no two (2) receipts bearing the same number  
548 shall be issued from the same warehouse during any one (1) year,  
549 except in the case of a lost or destroyed receipt.

550         **SECTION 31.** Section 75-44-61, Mississippi Code of 1972, is  
551 amended as follows:

552         75-44-61. The commissioner shall require that no warehouse  
553 receipt shall be issued except upon actual delivery of grain into  
554 storage in the warehouse from which it purports to be issued, nor  
555 shall any receipt be issued for a greater quantity of grain than  
556 was contained in the lot or parcel \* \* \* or received for storage,  
557 nor shall more than one (1) receipt be issued for the same lot of  
558 grain, except in cases where a receipt for a part of a lot is  
559 desired, and then the aggregate receipts for a particular lot  
560 shall cover that lot and no more.

561         **SECTION 32.** Section 75-44-63, Mississippi Code of 1972, is  
562 amended as follows:

563         75-44-63. A grain \* \* \* handler may make a valid sale or  
564 pledge of any warehouse receipts issued for grain of which  
565 the \* \* \* handler is the owner, either solely or jointly or in  
566 common with others, and the recital of ownership in the receipt  
567 shall constitute notice of the right to sell or pledge the same  
568 and of the title or specific lien of the transferee or pledgee  
569 upon the \* \* \* grain handler's grain represented by the receipts.

570         **SECTION 33.** Section 75-44-65, Mississippi Code of 1972, is  
571 amended as follows:



572           75-44-65. (1) If grain is offered for storage in any  
573 licensed grain warehouse and the grain \* \* \* handler does not have  
574 storage space to handle the same, the grain \* \* \* handler, with  
575 the written consent of the owner, may accept grain for shipment to  
576 another grain warehouse where storage is available.

577           (2) The receipt to cover grain to be transported to and  
578 stored in another grain warehouse shall embody within its written  
579 or printed terms, in addition to the requirements of Section  
580 75-44-49, the name and location of the grain warehouse to which  
581 the grain will be shipped for storage.

582           **SECTION 34.** Section 75-44-67, Mississippi Code of 1972, is  
583 amended as follows:

584           75-44-67. Any \* \* \* grain handler operating a grain  
585 warehouse who desires to discontinue such operation at the  
586 expiration of his license or whose license is suspended, revoked  
587 or cancelled by the commissioner or his designated representative  
588 shall notify the commissioner and all holders of warehouse  
589 receipts and all parties storing grain in the grain warehouse, if  
590 known, or if not known, by advertising in the newspaper or  
591 newspapers of largest general circulation in the community in  
592 which the grain warehouse is located once per week for three (3)  
593 consecutive weeks, at least thirty (30) days prior to the date of  
594 expiration of his license, of his intention to discontinue the  
595 grain warehouse business, and the owners of the grain shall





596 remove, or cause to be removed, their grain from such grain  
597 warehouse before the expiration of the license.

598         **SECTION 35.** Section 75-44-69, Mississippi Code of 1972, is  
599 amended as follows:

600         75-44-69. No inspector or employee of the commissioner's  
601 office shall disclose any information obtained by him in the  
602 course of his employment related to the affairs or transactions of  
603 any grain warehouse without first having obtained the express  
604 permission in writing of such grain \* \* \* handler.

605         **SECTION 36.** Section 75-44-71, Mississippi Code of 1972, is  
606 amended as follows:

607         75-44-71. (1) Any person who issues a warehouse receipt for  
608 grain without holding a valid grain warehouse license or who  
609 commits any willful violation of any provision of this chapter,  
610 shall be guilty of a felony, and upon conviction thereof,  
611 punishable by a fine of not more than \* \* \* Fifty Thousand Dollars  
612 (\$50,000.00) and/or imprisonment for not more than five (5) years.

613         (2) Any unintentional or negligent violation of this chapter  
614 shall be a misdemeanor, and upon conviction thereof, punishable by  
615 a fine of not more than \* \* \* One Thousand Dollars (\$1,000.00)  
616 and/or imprisonment for not more than one (1) year.

617         **SECTION 37.** Sections 75-45-301, 75-45-303, 75-45-304,  
618 75-45-305, 75-45-307, 75-45-309, 75-45-311, 75-45-313 and  
619 75-45-315, Mississippi Code of 1972, which are the "Mississippi  
620 Grain Dealers Law of 1978," are hereby repealed.



621           **SECTION 38.** This act shall take effect and be in force from  
622 and after July 1, 2022.

