

By: Senator(s) Younger, McCaughn, Suber,
Hickman

To: Agriculture

COMMITTEE SUBSTITUTE
FOR
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 * * *

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

65 (h) "Warehouse receipt" shall mean a negotiable grain
66 storage receipt and/or a nonnegotiable scale ticket given by a
67 grain warehouse.

68 (i) "Surety bond" shall mean a guarantee issued by a
69 surety agency on behalf of a client, requiring the agency to pay a
70 sum of money to a third party in the event the client fails to
71 fulfill obligations required under this chapter.

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



74 75-44-7. The commissioner shall carry out and enforce the
75 provisions of this * * * act and is hereby empowered to promulgate
76 rules and regulations to carry out necessary inspections and to
77 appoint and fix the duties of his personnel and provide such
78 equipment as may be necessary to assist him in enforcing the
79 provisions thereof.

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

82 75-44-9. (1) No person shall (a) operate a grain warehouse
83 with over five hundred thousand (500,000) bushels of licensed
84 capacity; or (b) issue a warehouse receipt for such grain
85 warehouse; or (c) operate as a grain handler selling, transferring
86 or storing over five hundred thousand (500,000) bushels or more
87 annually, without first having obtained a license * * * under the
88 provisions of the United States Warehouse Act, as amended.

89 (2) No person shall (a) operate a grain warehouse with over
90 fifty thousand (50,000) and less than five hundred thousand
91 (500,000) bushels of licensed capacity; or (b) issue a warehouse
92 receipt for such grain warehouse; or (c) operate as a grain
93 handler selling, transferring or storing over fifty thousand
94 (50,000) and less than five hundred thousand (500,000) bushels
95 annually, without first having obtained either a license under the
96 provisions of the United States Warehouse Act, as amended, or a
97 grain handler license from the Mississippi Department of
98 Agriculture and Commerce under the provisions of this act.



99 (3) Any person who (a) operates a grain warehouse with less
100 than fifty thousand (50,000) bushels of licensed capacity; or (b)
101 issues a warehouse receipt for such grain warehouse; or (c)
102 operates as a grain handler selling, transferring or storing less
103 than fifty thousand (50,000) bushels annually, shall not be
104 required to have a license issued by the United States Warehouse
105 Act or by the Mississippi Department of Agriculture and Commerce
106 under this act.

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

109 75-44-11. (1) Applications for combined grain handler
110 licenses under this * * * act are to be made on forms prescribed
111 by the commissioner for each separate warehouse and grain
112 handler's place of business, or, if an applicant owns more than
113 one (1) warehouse or grain handler's place of business at any one
114 (1) location, which does not exceed eight (8) miles in distance,
115 then all the warehouses and grain handler offices at that location
116 may be included in one (1) application. Every application is to
117 be accompanied by an application fee of * * * Five Hundred Dollars
118 (\$500.00) and a certified financial statement in a form prescribed
119 by the commissioner and such further information as the
120 commissioner may by regulation require.

121 (2) Grain handler licenses shall be nontransferrable.

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



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

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

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

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

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



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

151 75-44-19. Immediately upon receipt of his license or of any
152 modification or extension thereof, the grain * * * handler shall
153 post same and thereafter keep it posted until suspended or
154 terminated in a conspicuous place in the office of the grain
155 warehouse or place of business to which such license applies where
156 receipts issued by such grain * * * handler are delivered to
157 depositors.

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

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



174 75-44-29, 75-44-31, 75-44-33 and 75-44-35. In determining total
175 available net assets, credit may be given for insurable assets
176 such as buildings, machinery, equipment and merchandise inventory
177 only to the extent of the current market value of such assets and
178 only to the extent that such assets are protected by insurance
179 against loss or damage. Such insurance shall be in the form of
180 lawful policies issued by one or more insurance companies
181 authorized to do business and subject to service of process in
182 suits brought in this state, and which provide that no
183 cancellation shall be effective unless thirty (30) days' advance
184 notice of such cancellation is given to the commissioner.

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

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

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



199 75-44-23. (1) Upon satisfaction of Sections 75-44-9 through
200 75-44-21, and 75-44-29 through 75-44-33, and any applicable
201 regulations by an applicant, the commissioner shall issue a
202 license to operate a grain warehouse.

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

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



224 75-44-25. (1) If a grain * * * handler is convicted of any
225 crime involving fraud or deceit or if the commissioner determines
226 that any grain * * * handler has violated any of the provisions of
227 this chapter, or any of the rules and regulations adopted by the
228 commissioner pursuant to this chapter, the commissioner may, at
229 his discretion, suspend, cancel or revoke the license of such
230 grain * * * handler.

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



249 county where the grain warehouse is located by filing a written
250 notice of appeal alleging the pertinent facts upon which such
251 appeal is grounded. At the time of the filing of the appeal, the
252 appellant shall give a bond for costs conditioned upon his
253 prosecution of the appeal without delay and payment of all costs
254 assessed against him. Appeal may be with supersedeas and shall be
255 subject to the provisions of Section 11-51-31.

256 (3) In case a license issued to a grain * * * handler
257 expires or is suspended, revoked or cancelled by the commissioner
258 or his designated representative, such license shall be
259 immediately returned to the commissioner and the grain * * *
260 handler shall forthwith comply with the provisions of Section
261 75-44-67.

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

264 75-44-27. Upon satisfactory proof of the loss or destruction
265 of a license issued to a grain * * * handler, a duplicate thereof,
266 or a new license, may be issued under the same number.

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

269 75-44-29. (1) Before any person is granted a license
270 pursuant to Section 75-44-23 such person shall give a bond to the
271 commissioner executed by the grain * * * handler as principal and
272 by a corporate surety licensed to do business in this state as a
273 surety in the amount prescribed in Section 75-44-31. The bond



274 shall be in favor of the commissioner for the benefit of all
275 persons interested, their legal representatives, attorneys or
276 assigns, conditioned upon the faithful compliance by the
277 grain * * * handler with the provisions of this chapter and the
278 rules and regulations of the State Department of Agriculture and
279 Commerce applicable thereto. The aggregate liability of the
280 surety to all depositors or storers or purchasers of grain shall
281 not exceed the sum of such bond. The bond may be cancelled at any
282 time by the surety by giving written notice to the Commissioner of
283 Agriculture and Commerce of its intention to cancel the bond and
284 all liability thereunder shall terminate thirty-five (35) days
285 after the mailing of such notice except that such notice shall not
286 affect any claims arising under the bond, whether presented or
287 not, before the effective date of the cancellation notice.

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

291 (a) Cash;

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

294 (c) Irrevocable letters of credit from any bank or
295 banking corporation insured by the Federal Deposit Insurance
296 Corporation;

297 (d) Federal Treasury Bills; or



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

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

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

304 75-44-31. (1) The amount of surety bond to be furnished for
305 each grain warehouse shall be fixed at a rate of Twenty-five Cents
306 (25¢) per bushel for the first * * * five hundred thousand
307 (500,000) bushels of licensed capacity; * * * provided that in no
308 case shall the amount of the bond be less than * * * Twenty-five
309 Thousand Dollars (\$25,000.00) or more than * * * One Hundred
310 Twenty-five Thousand Dollars (\$125,000.00), except as prescribed
311 in subsection (3) or (4) of this section. The licensed capacity
312 shall be equal to the maximum number of bushels of grain that the
313 grain warehouse can accommodate for storage or the amount sold or
314 transferred by the licensee acting as a grain handler. In no
315 event shall the liability of the surety accumulate for each
316 successive license period during which this bond is in force, but
317 shall be limited in the aggregate to the bond amount or changed by
318 appropriate rider or endorsement.

319 (2) A grain * * * handler who is licensed or is applying for
320 licenses to operate two (2) or more grain warehouses or places of
321 grain-handling business may give a single surety bond meeting the
322 requirements of this chapter to cover all such grain warehouses or



323 businesses within the state. In such cases all grain warehouses
324 or grain-handling businesses to be covered by the surety bond
325 shall be deemed to be one (1) warehouse or place of business for
326 purposes of determining the amount of bond required under
327 subsection (1) of this section.

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

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

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

345 75-44-33. If an application is made for an amendment to a
346 license and no bond previously filed by the grain * * * handler
347 under Sections 75-44-29 and 75-44-31 covers obligations arising



348 during the period covered by such amendment, the grain * * *
349 handler shall file with the commissioner an additional bond in
350 such amount as may be determined by the commissioner.

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

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



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

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

394 (3) If a grain handler should fail or refuse to make payment
395 to a producer for grain purchased when such payment is requested
396 by the producer and the request is made within thirty (30) days of
397 the date of sale or the date of delivery of such grain to the



398 handler, whichever is later, or other period of time specified by
399 contractual arrangement, the producer shall notify the
400 commissioner in writing of such failure or refusal within the
401 period of thirty (30) days thereafter. The commissioner upon
402 receiving such notice shall take whatever action is necessary to
403 investigate the claim and report the findings to the producer
404 within ten (10) days. Grain handler liability under priced-later
405 contracts, open-priced contracts, deferred price contracts, or
406 similar agreements shall accrue under the bond in effect at the
407 date of default as determined by the commissioner.

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

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

419 (2) If fire, inherent explosion, lightning or windstorm
420 shall destroy or damage all or part of the grain stored in any
421 grain warehouse, the grain * * * handler shall, upon demand by the
422 holder of any warehouse receipt for such grain, and upon being



423 presented with the warehouse receipt, make settlement for the
424 fair-market value after deducting the warehouse charges.

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

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

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

439 (b) The depositor and the grain * * * handler may agree
440 upon the grade of the grain offered for storage and a warehouse
441 receipt may be issued on the agreed grade.

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

444 75-44-41. Every grain * * * handler shall keep in a place of
445 safety complete, separate and correct records and accounts
446 pertaining to the grain warehouse including, but not limited to,
447 records and accounts of * * * the number of bushels of grain



448 received therein and withdrawn therefrom, all unissued receipts
449 and tickets in its possession, copies of all receipts and tickets
450 issued by it, and the receipts and tickets returned to and
451 cancelled by it. Such records shall be retained by the
452 grain * * * handler for a period of five (5) years.

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

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

462 (2) Every grain warehouse shall at least annually send to
463 the commissioner a copy of its financial statement prepared by an
464 accountant licensed by the State of Mississippi and sworn to by
465 the accountant and grain * * * handler.

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



473 grain * * * handler's place of business, and any other records
474 deemed relevant to the operation of the grain * * * handler's
475 place of business by the commissioner.

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

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

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

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

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



498 (2) It shall be the grain * * * handler's duty and
499 obligation to condition and maintain the quantity and quality of
500 all grain as receipted.

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

503 75-44-49. (1) Every receipt issued for grain stored in a
504 grain warehouse shall conform to the requirements of Section
505 75-7-202 and in addition shall embody within its written or
506 printed terms:

507 (a) A statement that the holder of the receipt or the
508 depositor of the grain shall demand the delivery of the grain on
509 or before a date not later than one (1) year from the date
510 specified thereon by the grain * * * handler;

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

513 (2) A grain * * * handler shall not insert any language in
514 any warehouse receipt or make any contract with respect to any
515 warehouse receipt which purports to limit the liabilities or
516 responsibilities imposed on him by law.

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

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



522 75-44-51. The commissioner shall require that at least one
523 (1) actual or skeleton copy of all receipts shall be made and all
524 copies shall have clearly and conspicuously printed or stamped
525 thereon the words "Copy-Not Negotiable."

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

528 75-44-53. The form of all receipts shall be approved by the
529 commissioner. The commissioner shall be authorized to have
530 printed by the state printer all warehouse receipts issued by
531 grain * * * handlers.

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

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

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

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



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

549 75-44-59. The commissioner shall require that all warehouse
550 receipts issued by a grain warehouse shall be numbered
551 consecutively, and no two (2) receipts bearing the same number
552 shall be issued from the same warehouse during any one (1) year,
553 except in the case of a lost or destroyed receipt.

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

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

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

567 75-44-63. A grain * * * handler may make a valid sale or
568 pledge of any warehouse receipts issued for grain of which
569 the * * * handler is the owner, either solely or jointly or in
570 common with others, and the recital of ownership in the receipt
571 shall constitute notice of the right to sell or pledge the same



572 and of the title or specific lien of the transferee or pledgee
573 upon the * * * grain handler's grain represented by the receipts.

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

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

581 (2) The receipt to cover grain to be transported to and
582 stored in another grain warehouse shall embody within its written
583 or printed terms, in addition to the requirements of Section
584 75-44-49, the name and location of the grain warehouse to which
585 the grain will be shipped for storage.

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

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



597 consecutive weeks, at least thirty (30) days prior to the date of
598 expiration of his license, of his intention to discontinue the
599 grain warehouse business, and the owners of the grain shall
600 remove, or cause to be removed, their grain from such grain
601 warehouse before the expiration of the license.

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

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

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

611 75-44-71. (1) Any person who issues a warehouse receipt for
612 grain without holding a valid grain * * * handler license or who
613 commits any willful violation of any provision of this chapter,
614 shall be guilty of a felony, and upon conviction thereof,
615 punishable by a fine of not more than * * * Fifty Thousand Dollars
616 (\$50,000.00) and/or imprisonment for not more than five (5) years.

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



621 **SECTION 37.** Sections 75-45-301, 75-45-303, 75-45-304,
622 75-45-305, 75-45-307, 75-45-309, 75-45-311, 75-45-313 and
623 75-45-315, Mississippi Code of 1972, which are the "Mississippi
624 Grain Dealers Law of 1978," are hereby repealed.

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

