AN ACT

ENTITLED, An Act to revise certain provisions regarding public grain buyers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 49-45-7.1 be amended to read:

49-45-7.1. An applicant may apply for a Class A grain buyer's license or a Class B grain buyer's license. No grain buyer with a Class B grain buyer's license may purchase grain in excess of five million dollars for the annual licensed period or enter into voluntary credit sale contracts. The commission shall require an applicant for a Class A grain buyer's license to submit a more detailed review of its financial condition than an applicant for a Class B grain buyer's license.

Section 2. That § 49-45-9 be amended to read:

49-45-9. Before any grain buyer license is issued by the commission, the applicant shall file with the commission a bond conditioned to secure the faithful performance of the applicant's obligations as a grain buyer and full and unreserved compliance with the laws of this state and the rules of the commission, relating to the purchase of grain by the grain buyer. The bond is for the specific purpose of protecting persons selling grain to the grain buyer. However, the bond may not benefit any person entering into a voluntary credit sale with a grain buyer. Any person who does business as a grain buyer without a bond is guilty of a Class 1 misdemeanor. Each day a person conducts the business of a grain buyer without a bond is a separate offense.

The amount of the bond for a Class A or Class B grain buyer's license shall be based on a rolling average of the dollar amount of grain purchased by the applicant in South Dakota during the last three calendar years. For a new grain buyer, the first year's bond shall be based on projected purchases. For a grain buyer with less than three years experience as a grain buyer, the bond shall be based on the average actual purchases made by the grain buyer in all of its previous years as a grain buyer or projected purchases, whichever amount is higher. The bond applies to all grain

purchases for all of the grain buyer's business locations.

The amount of the bond for a Class A grain buyer's license is:

Dollar Amount of Grain Purchased	Bond Requirement
Less than $2,000,001	$50,000
$2,000,001--$5,000,000	$100,000
$5,000,001-$10,000,000	$150,000
$10,000,001-$20,000,000	$200,000
$20,000,001-$30,000,000	$250,000
$30,000,001-$40,000,000	$300,000
$40,000,001-$55,000,000	$350,000
$55,000,001-$70,000,000	$400,000
$70,000,001-$85,000,000	$450,000
$85,000,001-$100,000,000	$500,000

Bond requirements are increased twenty-five thousand dollars for each additional ten million dollars in purchases above one hundred million dollars.

The amount of the bond for a Class B grain buyer's license is:

Dollar Amount of Grain Purchased	Bond Requirement
Less than $2,000,001	$50,000
$2,000,001--$5,000,000	$100,000

The grain buyer may stipulate to a higher bond amount requested by the commission or may post additional security in another form.

Section 3. That § 49-45-22 be amended to read:

49-45-22. A grain buyer with a Class A license shall keep all company owned grain in the grain buyer's possession insured at current market value of the grain against loss by fire, windstorm, and extended coverage risks. The grain buyer shall furnish the commission with proof of the insurance when the grain buyer applies for a license. A grain buyer with a Class A license shall submit a

quarter-ending balance sheet to the commission for inspection within thirty days of the end of each quarter. The balance sheet reports shall be based on each grain buyer's fiscal year. A violation of this section is a Class 1 misdemeanor.

An Act to revise certain provisions regarding public grain buyers.

==========

I certify that the attached Act originated in the

SENATE as Bill No. 26

_____
Secretary of the Senate

==========

_____
President of the Senate

Attest:

_____
Secretary of the Senate

_____
Speaker of the House

Attest:

_____
Chief Clerk

Senate Bill No. 26
File No. ____
Chapter No. _____

==========

Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

==========

The attached Act is hereby approved this _____ day of _____ , A.D., 20___

_____
Governor

==========

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____ , 20___
at _____ o'clock __ M.

_____
Secretary of State

By _____
Asst. Secretary of State