

AN ACT

ENTITLED, An Act to revise certain provisions related to livestock auction agencies and livestock dealers and to establish a penalty.

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

Section 1. That chapter 40-15 be amended by adding thereto a NEW SECTION to read as follows:

For purposes of this chapter, the term, livestock, means cattle, sheep, horses, mules, swine, goats, and buffalo.

Section 2. That § 40-15-10 be amended to read as follows:

40-15-10. No person may operate a livestock auction agency without first filing with the Animal Industry Board a corporate surety bond as required under the provisions of the Federal Packers and Stockyard Act, 1921, as amended to January 1, 2002, for livestock agencies selling on commission. The bond shall be filed with the Animal Industry Board and a certified copy thereof shall be filed with the chief of the Packers and Stockyards Division of the United States Department of Agriculture. The obligee of the bond is the Animal Industry Board with the executive secretary thereof as trustee, with full power and authority to consider claims and pay valid claims from bond proceeds, subject to applicable federal law. The bond shall be for the benefit of all persons sustaining loss which may be covered by the obligation of the bond. The bond shall be approved by the Animal Industry Board as to its sufficiency and by the attorney general as to form prior to filing. The amount of the bond may not be less than twenty thousand dollars. Any person who operates a livestock auction agency in violation of this section is guilty of a Class 1 misdemeanor.

Section 3. That chapter 40-15 be amended by adding thereto a NEW SECTION to read as follows:

If a livestock auction agency's license is relinquished, revoked, or suspended by the Animal

Industry Board, subject to applicable federal law, the Animal Industry Board may assume control of any account and funds described in § 40-15-31, including collection of any deposit items, identification and processing of claims to the funds, and payment of valid claims from the available funds.

Section 4. That § 40-15-36 be amended to read as follows:

40-15-36. The Animal Industry Board shall enforce the provisions of this chapter and may promulgate rules pursuant to chapter 1-26 concerning:

- (1) The licensure of livestock auction agencies;
- (2) The requirements for facilities;
- (3) The handling of any animal found to be affected with any infectious, contagious, or transmissible disease;
- (4) The requirements for inspecting, examining, and testing of livestock passing through a livestock auction agency;
- (5) The reporting and record keeping requirements for livestock auction agencies; and
- (6) Procedures for the consideration, processing, and payment of claims from bond proceeds and, if a livestock auction agency's license is relinquished, revoked or suspended, procedures for the collection of deposit items, processing of claims to the funds, and payment of valid claims in accordance with sections 2 and 3 of this Act.

Such rules shall be sent to each licensed auction agency, there to be posted by such agency plainly, visibly, and conspicuously, and with the license on the premises so as to be available to any person using the service of such agency.

Section 5. That subdivision (3) of § 40-15A-1 be amended to read as follows:

- (3) "Livestock," cattle, sheep, horses, mules, swine, buffalo, and goats;

Section 6. That § 40-15A-5 be amended to read as follows:

40-15A-5. Every livestock dealer, packer or packer buyer applying for a license under this chapter shall file with the animal industry board and maintain a fully executed duplicate of a valid and effective bond in the form and amount to be determined by the board. If the livestock dealer, packer, or packer buyer is registered and bonded under the provisions of an act of Congress cited as the "Packers and Stockyards Act, 1921," adopted August 15, 1921, as amended to January 1, 2002, and codified at 7 U.S.C. Chapter 9, the livestock dealer, packer, or packer buyer shall file a statement in the form prescribed by the board evidencing that the livestock dealer, packer, or packer buyer is maintaining a valid and effective bond or its equivalent under said act. If a packer buyer is in full-time employ of a packer bonded under this section, the packer buyer need not be bonded. The bond shall be for the benefit of all persons sustaining a loss which may be covered by the obligation of the bond. The obligee of the bond shall be the Animal Industry Board with the executive secretary of the board as trustee, with full power and authority to consider claims and pay valid claims from bond proceeds subject to applicable federal law. The Animal Industry Board may promulgate rules, pursuant to chapter 1-26, to establish procedures for the consideration, processing, and payment of claims from bond proceeds in accordance with this section. Any livestock dealer, packer, or packer buyer in violation of this section is guilty of a Class 1 misdemeanor.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1254

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1254
File No. _____
Chapter No. _____

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Received at this Executive Office this ____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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

Governor

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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