



Public Service Commission
State of North Dakota

COMMISSIONERS

Susan E. Wefald, President
Kevin Cramer
Tony Clark

Executive Secretary
Darrell Nitschke

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
Web: www.nd.gov/psc
E-mail: ndpsc@nd.gov
TDD 800-366-6888 or 711
Fax 701-328-2410
Phone 701-328-2400

4 December 2008

Mr. Jim Smith, Director
Legislative Council
State Capitol
Bismarck, North Dakota 58505-0360


Re: Pre-filed Agency Bills

Dear Mr. Smith:

Enclosed for filing are the Public Service Commission's five pre-filed bill drafts for the Sixty-first Legislative Assembly and a copy of the Commission's Motion submitting these pre-filed bill drafts to the Legislative Council.

If you have any questions or require additional information, please contact us.

Best regards,


Illona A. Jeffcoat-Sacco
General Counsel

Enclosures

*Rec'd 12-4-08
James Buck*

APPROVED
DATE: 12-3-08
9

MOTION

December 3, 2008

Public Service Commission
Sixty-First Legislative Session (2009)
Misc. Case

AD-08-488

I move the Commission submit the following to the Legislative Council as pre-filed bill drafts for the Sixty-first Legislative Assembly of North Dakota:

- Reclamation:** Amend and reenact subsection 18 of section 38-14.1-24 and subsection 2 of section 38-14.2-14 of the North Dakota Century Code, relating to the time period for successful revegetation on lands permitted for surface coal mining and reclamation operations, and limitations for filing liens on abandoned mine lands that are reclaimed.
- Public Service Commission:** Amend and reenact section 49-01-02 of the North Dakota Century Code, relating to the election of one public service commissioner as chairman.
- Public Utilities:** Amend and reenact subsection 6 of section 49-02-02, and sections 49-05-04, 49-05-04.2, 49-05-04.3 and 49-05-16 of the North Dakota Century Code, relating to powers of the public service commission and electric and gas public utility application fees.
- Testing and Safety:** Amend and reenact section 49-07-05.1 of the North Dakota Century Code, relating to assessing the costs of investigating a potential violation of pipeline safety standards and to provide a continuing appropriation.
- Licensing:** Amend and reenact sections 60-02-19.1 and 60-02.1-14, and subsection 4 of section 60-02.1-01 of the North Dakota Century Code, relating to public grain warehouse and facility-based grain buyer credit-sale contract transfers, and the definition of facility-based grain buyer.

LC# _____

PREFILING OF AGENCY BILLS*

I wish to prefile a bill described as follows:

A bill amending the North Dakota Century Code relating to the time period for successful revegetation on lands permitted for surface coal mining and reclamation operations, and limitations for filing liens on abandoned mine lands that are reclaimed.

This bill (does) **does not** affect the appropriation requested for this agency.

Ilona A. Jeffcoat-Sacco, General Counsel


Signature

Public Service Commission
Agency

328-2400
Phone

600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480
Address

Contact person (if signer is not contact person)

If a legislator is sponsoring an agency bill and the bill is prefiled by December 4, the bill will include the name of the requesting agency. In order for a legislator to be identified as sponsor, the legislator must sign this form or a copy of the bill.

I approve the prefilling of this bill with my name as sponsor.

Signature of legislator (Print name here)

I approve as a cosponsor the prefilling of this bill.

Signature of cosponsoring legislator (Print name here)

***After you have prefiled a bill, it will be assigned a number by the Legislative Council staff, printed in advance of the regular session, and assigned to the appropriate committee by the presiding officer. The presiding officer may schedule the measure for a hearing. Prefiling provides a full workload for committees during the first two weeks of the session to lighten the crush of committee work late.**

Sixty-first
Legislative Assembly
of North Dakota

Introduced by

A BILL for an Act to amend and reenact subsection 18 of section 38-14.1-24 and subsection 2 of section 38-14.2-14 of the North Dakota Century Code, relating to the time period for successful revegetation on lands permitted for surface coal mining and reclamation operations, and limitations for filing liens on abandoned mine lands that are reclaimed.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 18 of Section 38-14.1-24 of the North Dakota Century Code is amended and reenacted as follows:

18. Assume the responsibility for successful revegetation, as required by subsection 17, for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work, provided that, when the commission approves a long-term intensive agricultural postmining land use, the ten-year period of responsibility for revegetation commences at the date of initial planting. However, for previously mined areas that are affected by remining, the operator's responsibility for successful revegetation will extend for a period of five full years after the last year of augmented seeding, fertilizing, irrigation and other work in order to assure compliance with the applicable standards. For the purposes

of this subsection, “previously mined areas” are lands that were affected by coal mining activities prior to January 1, 1970; and “augmented seeding, fertilizing, irrigation, or other work” does not include normal conservation practices recognized locally as good management for the postmining land use.

SECTION 2. AMENDMENT. Subsection 2 of Section 38-14.2-14 of the North Dakota Century Code is amended and reenacted as follows:

2. No lien may be filed against the property of any person, in accordance with this section, ~~who owned the surface prior to May 2, 1977, and~~ who neither consented to nor participated in nor exercised control over the mining operation which necessitated the reclamation performed hereunder.

LC# _____

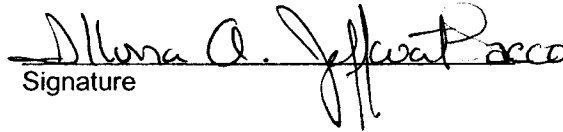
PREFILING OF AGENCY BILLS*

I wish to prefile a bill described as follows:

A bill amending the North Dakota Century Code relating to the election of one public service commissioner as chairman.

This bill (does) **does not** affect the appropriation requested for this agency.

Illona A. Jeffcoat-Sacco, General Counsel


Signature

Public Service Commission
Agency

328-2400
Phone

600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480
Address

Contact person (if signer is not contact person)

If a legislator is sponsoring an agency bill and the bill is prefiled by December 4, the bill will include the name of the requesting agency. In order for a legislator to be identified as sponsor, the legislator must sign this form or a copy of the bill.

I approve the prefiling of this bill with my name as sponsor.

Signature of legislator (Print name here)

I approve as a cosponsor the prefiling of this bill.

Signature of cosponsoring legislator (Print name here)

***After you have prefiled a bill, it will be assigned a number by the Legislative Council staff, printed in advance of the regular session, and assigned to the appropriate committee by the presiding officer. The presiding officer may schedule the measure for a hearing. Prefiling provides a full workload for committees during the first two weeks of the session to lighten the crush of committee work late.**

Sixty-first
Legislative Assembly
Of North Dakota

Introduced by

A BILL for an Act to amend and reenact section 49-01-02 of the North Dakota Century Code, relating to the election of one public service commissioner as chairman.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 49-01-02 of the North Dakota Century Code is amended and reenacted as follows:

49-01-02. Public service commission - How constituted. The three persons elected public service commissioners, pursuant to the provisions of article V, section 2, of the Constitution of North Dakota, constitute and shall be known and designated as the public service commission of the state of North Dakota. They shall elect one of their number ~~president~~ chairman of the commission and shall appoint a secretary.

LC# _____

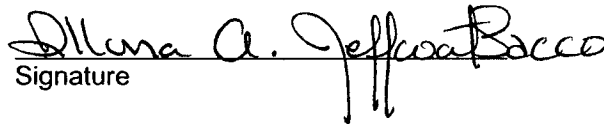
PREFILING OF AGENCY BILLS*

I wish to prefile a bill described as follows:

A bill amending the North Dakota Century Code relating to powers of the public service commission and electric and gas public utility application fees.

This bill (does) **(does not)** affect the appropriation requested for this agency.

Illona A. Jeffcoat-Sacco, General Counsel


Signature

Public Service Commission
Agency

328-2400
Phone

600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480
Address

Contact person (if signer is not contact person)

If a legislator is sponsoring an agency bill and the bill is prefiled by December 4, the bill will include the name of the requesting agency. In order for a legislator to be identified as sponsor, the legislator must sign this form or a copy of the bill.

I approve the prefiling of this bill with my name as sponsor.

Signature of legislator (Print name here)

I approve as a cosponsor the prefiling of this bill.

Signature of cosponsoring legislator (Print name here)

***After you have prefiled a bill, it will be assigned a number by the Legislative Council staff, printed in advance of the regular session, and assigned to the appropriate committee by the presiding officer. The presiding officer may schedule the measure for a hearing. Prefiling provides a full workload for committees during the first two weeks of the session to lighten the crush of committee work late.**

Sixty-first
Legislative Assembly
of North Dakota

Introduced by

A BILL for an Act to amend and reenact subsection 6 of section 49-02-02, and sections 49-05-04, 49-05-04.2, 49-05-04.3 and 49-05-16 of the North Dakota Century Code, relating to powers of the public service commission and electric and gas public utility application fees.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 6 of section 49-02-02 of the North Dakota Century Code is amended and reenacted as follows:

6. Employ, and fix the compensation of, rate experts, engineers, auditors, attorneys, and all other expert help and assistance for hearings or investigations on ~~rate-increase~~ applications filed by gas or electric public utilities. The expense of any hearings or investigations and the actual expenses of any employees of the commission while engaged upon any hearing or investigation must ~~upon the order of the commission~~ be deducted from the application fee paid by the public utility involved. The commission shall ascertain the costs and expenditures. ~~After giving the public utility notice and opportunity to demand a hearing, and after a hearing, if any, is held, the commission shall render a bill and make an order~~

~~for payment by certified mail or by personal delivery to one of the managing officers of the public utility. The billing and order may be made from time to time during the hearing or investigation or at the conclusion thereof, as the commission determines. Upon receipt of the bill and order for payment, as evidenced by return receipt or other proof, the public utility shall pay to the commission the amount billed. All amounts not paid within thirty days after receipt of the order for payment draw interest at the rate of six percent per annum from the date of receipt of the order. All costs and expenses collected~~ The application fees received by the commission under this subsection chapter 49-05 must be deposited in a special account within the public service commission. All moneys deposited in the account are appropriated on a continuing basis to the commission to pay expenses incurred in the processing of cases in which application fees are required. The commission shall refund the portion of a fee collected under chapter 49-05 which exceeds the expenses incurred for processing the case for which the fee was paid.

SECTION 2. AMENDMENT. Section 49-05-04 of the North Dakota Century Code is amended and reenacted as follows:

49-05-04. Application for increase of rates - Information required - Fee. Any public utility requesting an increase in its rates above the maximum approved or prescribed by the commission shall furnish the commission:

Sixty-first
Legislative Assembly

1. The original cost of all its property.
2. The date of the acquisition of said property.
3. The amount of money invested in said property.
4. The amount of stock outstanding.
5. The amount of bonds outstanding against said property.
6. All books, papers, and memoranda of the utility showing the financial condition thereof.
7. Its total monthly salaries and wage expense for such time as the commission may request.
8. An itemized statement of its expenditures.
9. The details of its profit and loss account.
10. All other books, papers, vouchers, and accounts which the commission shall ask to have produced as evidence at the hearing.
11. An application fee in the amount of one hundred and twenty-five thousand dollars. Upon request of the commission and with the approval of the emergency commission, the applicant shall pay such additional fees as are reasonably necessary for completion of the application process by the commission. The commission shall pay the expenses of investigating a rate increase application under this section from the application fee paid by the public utility

in accordance with section 49-02-02. The commission may waive the fee.

SECTION 3. AMENDMENT. Section 49-05-04.2 of the North Dakota Century Code is amended and reenacted as follows:

49-05-04.2. Rate adjustment - Federal environmental mandate costs.

1. The commission may approve, reject, or modify a tariff filed under section 49-05-06, which provides for an adjustment of rates to recover jurisdictional capital costs and associated operating expenses incurred by a public utility to comply with federal environmental mandates on existing electricity generating stations. For purposes of this section, federal environmental mandates are limited to any requirements under the Clean Air Act, the Clean Water Act, or any other federal law or rule designed to protect the environment. Associated operating expenses are costs incurred by the public utility to comply with the environmental mandate. The tariff must:
 - a. Allow the public utility to recover on a timely basis its investment in capital costs and associated operating expenses incurred to meet federal environmental mandates not reflected in the utility's general rate schedule.

- b. Allow a return on the public utility's investment made to meet federal environmental mandates at the level approved in the utility's most recent general rate case.
 - c. Provide a current return on construction work in progress to meet federal environmental mandates provided the cost recovery from retail customers of the allowance for funds used during construction is not sought through any other means.
 - d. Terminate cost recovery after the public utility's costs and expenses to meet federal environmental mandates have been recovered fully or have been reflected in the utility's general rate tariffs.
2. Rate adjustments filed under the tariff must be accompanied by:
- a. A description and quantification of the costs and expenses incurred by the public utility to meet federal environmental mandates which are subject to recovery;;
 - b. A schedule for implementation of the applicable projects;and
 - c. Calculations to establish that the rate adjustment is consistent with the terms of the tariff; and

- d. An application fee in the amount of fifty thousand dollars. Upon request of the commission and with the approval of the emergency commission, the applicant shall pay such additional fees as are reasonably necessary for completion of the application process by the commission.
3. Upon receipt of a rate adjustment filed under the tariff, the commission shall approve the rate adjustment to become effective unless, after notice and opportunity for hearing and comment, the commission determines the rate adjustment does not comply with the tariff or the incurred costs and expenses to meet federal environmental mandates are not reasonable and prudent. The commission ~~may~~ shall ~~order~~ pay the expenses of investigating ~~a rate adjustments~~ adjustment to meet federal environmental mandates under this section ~~be~~ from the application fee paid by the public utility in accordance with section 49-02-02. The public utility has the burden of proving that the rate adjustment complies with the tariff and that the costs and expenses incurred to meet federal environmental mandates are reasonable and prudent.

SECTION 4. AMENDMENT. Section 49-05-04.3 of the North Dakota Century Code is amended and reenacted as follows:

49-05-04.3. Rate adjustment - Transmission facility costs.

1. The commission may approve, reject, or modify a tariff filed under section 49-05-06 which provides for an adjustment of rates to recover jurisdictional capital and operating costs incurred by a public utility for new or modified electric transmission facilities. For purposes of this section, an electric transmission facility includes an electric transmission line as defined in chapter 49-21.1 and other transmission line equipment, including substations, transformers, and other equipment constructed to improve the power delivery capability or reliability of the electric transmission system; and operating costs include federally regulated costs charged to or incurred by the public utility to increase regional transmission capacity or reliability. The tariff must:
 - a. Allow the public utility to recover on a timely basis its investment and associated costs for new or modified electric transmission facilities not reflected in the utility's general rate schedule;
 - b. Allow a return on the public utility's investment made for new or modified electric transmission facilities at the level approved in the utility's most recent general rate case;

- c. Provide a current return on construction work in progress for new or modified electric transmission facilities, provided the cost recovery from retail customers of the allowance for funds used during construction is not sought through any other means; and
 - d. Terminate cost recovery after the public utility's costs for new or modified electric transmission facilities have been recovered fully or have been reflected in the utility's general rate tariffs.
2. Rate adjustments filed under the tariff must be accompanied by:
 - a. A description and quantification of the costs incurred by the public utility for new or modified electric transmission facilities which are subject to recovery;
 - b. A schedule for implementation of the applicable transmission facility projects; ~~and~~
 - c. Calculations to establish that the rate adjustment is consistent with the terms of the tariff; and
 - d. An application fee in the amount of fifty thousand dollars. Upon request of the commission and with the approval of the emergency commission, the applicant shall pay such additional fees as are reasonably

necessary for completion of the application process
by the commission.

3. Upon receipt of a rate adjustment filed under the tariff, the commission shall approve the rate adjustment to become effective unless, after notice and opportunity for hearing and comment, the commission determines the rate adjustment does not comply with the tariff or the incurred costs for new or modified electric transmission facilities are not reasonable and prudent. The commission ~~may order the public utility to~~ shall pay the expenses of investigating a rate adjustments adjustment for recovery of transmission facility costs under this section from the application fee paid by the public utility in accordance with section 49-02-02.

SECTION 5. AMENDMENT. Section 49-05-16 of the North Dakota Century Code is amended and reenacted as follows:

49-05-16. Advance determination of prudence. A public utility proposing to construct, lease, or make improvements to an energy conversion facility, renewable energy facility, transmission facility, or proposed energy purchase contract from another entity or person for the purpose of ensuring reliable electric service to its customers may file an application with the commission for an advance determination of prudence regarding the proposal. The commission ~~may order that~~ shall pay the expenses associated with investigating the application made by the public utility for prudence of a resource

addition ~~be~~ from the application fee paid by the public utility in accordance with section 49-02-02.

1. The commission may issue an order approving the prudence of an electric resource addition if:
 - a. The public utility files with its application a projection of costs to the date of the anticipated commercial operation of the electric resource addition;
 - b. The public utility files with its application a fee in the amount of one hundred and twenty-five thousand dollars. Upon request of the commission and with the approval of the emergency commission, the applicant shall pay such additional fees as are reasonably necessary for completion of the application process by the commission.
 - ~~b~~-c. The commission provides notice and holds a hearing, if appropriate, in accordance with section 49-02-02; and
 - ~~c~~-d. The commission determines that the resource addition is reasonable and prudent. For facilities located or to be located in this state the commission, in determining whether the resource addition is reasonable and prudent, shall consider the benefits of having the energy conversion facility, renewable

energy facility, transmission facility, or facility
generating the energy to be purchased located in this
state.

2. The commission order must be rendered no later than seven months after the public utility files its application requesting a prudence determination of an electric resource addition.
3. A resource addition approved by the commission is subject to annual reporting requirements until commercial operation of the resource addition.
4. The commission's order determining prudence of the resource adjustment is binding for ratemaking purposes.
5. If at any time following an initial commission order, the commission, following a subsequent hearing, determines that continuation of a project is no longer prudent or that its prior order should be modified, the public utility may recover in its rates, and in a timely manner consistent with the public utility's financial obligations, the amounts the public utility already has expensed, incurred, or obligated on a project, including interest expense and a return on equity invested in the project up to the time the new order is entered even though the project may never be fully operational or used by the public utility to serve its customers.

6. There is a rebuttable presumption that an energy conversion facility, renewable energy facility, transmission facility, or facility generating the energy to be purchased which is located in the state is prudent.

LC# _____

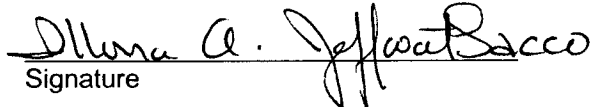
PREFILING OF AGENCY BILLS*

I wish to prefile a bill described as follows:

A bill amending the North Dakota Century Code relating to assessing the costs of investigating a potential violation of pipeline safety standards and to provide a continuing appropriation.

This bill (does) (**does not**) affect the appropriation requested for this agency.

Illona A. Jeffcoat-Sacco, General Counsel


Signature

Public Service Commission
Agency

328-2400
Phone

600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480
Address

Contact person (if signer is not contact person)

If a legislator is sponsoring an agency bill and the bill is prefiled by December 4, the bill will include the name of the requesting agency. In order for a legislator to be identified as sponsor, the legislator must sign this form or a copy of the bill.

I approve the prefiling of this bill with my name as sponsor.

Signature of legislator (Print name here)

I approve as a cosponsor the prefiling of this bill.

Signature of cosponsoring legislator (Print name here)

***After you have prefiled a bill, it will be assigned a number by the Legislative Council staff, printed in advance of the regular session, and assigned to the appropriate committee by the presiding officer. The presiding officer may schedule the measure for a hearing. Prefiling provides a full workload for committees during the first two weeks of the session to lighten the crush of committee work late.**

Sixty-first
Legislative Assembly
Of North Dakota

Introduced by

A BILL for an Act to amend and reenact section 49-07-05.1 of the North Dakota Century Code, relating to assessing the costs of investigating a potential violation of pipeline safety standards and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 49-07-05.1 of the North Dakota Century Code is amended and reenacted as follows:

49-07-05.1. Violations of pipeline safety standards – Penalties – Investigations – Continuing appropriation. Any person who violates any rule or order issued by the commission pursuant to section 49-02-01.2 is subject to a civil penalty to be imposed by the commission of not to exceed ten thousand dollars for each such violation for each day that such violation persists, except that the maximum penalty may not exceed five hundred thousand dollars for any related series of violations. Any such civil penalty may be compromised by the commission. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of such penalty to the size of the business of the person charged, the nature, circumstances, and gravity of the violation, the degree of culpability, any history of prior violations, the effect on ability to continue to do business, the ability to pay the penalty, the good faith of

the person charged in attempting to achieve compliance, after notification of a violation, and such other matters as justice may require must be considered. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the state of North Dakota to the person charged or may be recovered in a civil action in the district court of Burleigh County.

The commission may assess the costs of investigating a potential violation under this section to the person under investigation whether or not a violation is found. Any costs paid must be deposited in a special fund and are appropriated on a continuing basis as a refund to the commission for the purpose of defraying the costs of the investigation.

LC# _____

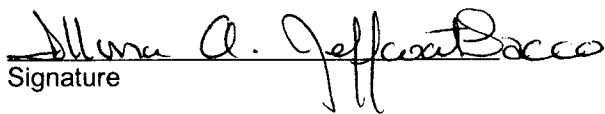
PREFILING OF AGENCY BILLS*

I wish to prefile a bill described as follows:

A bill amending the North Dakota Century Code relating to public grain warehouse and facility-based grain buyer credit-sale contract transfers, and the definition of facility-based grain buyer.

This bill (does) **(does not)** affect the appropriation requested for this agency.

Illona A. Jeffcoat-Sacco, General Counsel


Signature

Public Service Commission
Agency

328-2400
Phone

600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480
Address

Contact person (if signer is not contact person)

If a legislator is sponsoring an agency bill and the bill is prefiled by December 4, the bill will include the name of the requesting agency. In order for a legislator to be identified as sponsor, the legislator must sign this form or a copy of the bill.

I approve the prefiling of this bill with my name as sponsor.

Signature of legislator (Print name here)

I approve as a cosponsor the prefiling of this bill.

Signature of cosponsoring legislator (Print name here)

***After you have prefiled a bill, it will be assigned a number by the Legislative Council staff, printed in advance of the regular session, and assigned to the appropriate committee by the presiding officer. The presiding officer may schedule the measure for a hearing. Prefiling provides a full workload for committees during the first two weeks of the session to lighten the crush of committee work late.**

Sixty-first
Legislative Assembly
of North Dakota

Introduced by

A BILL for an Act to amend and reenact sections 60-02-19.1 and 60-02.1-14, and subsection 4 of section 60-02.1-01 of the North Dakota Century Code, relating to public grain warehouse and facility-based grain buyer credit-sale contract transfers, and the definition of facility-based grain buyer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 60-02-19.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02-19.1. Credit-sale contracts. A warehouseman shall not purchase grain by a credit-sale contract except as provided in this section. All credit-sale contracts must be in writing and must be consecutively numbered at the time of printing the contract. The warehouseman shall maintain an accurate record of all credit-sale contract numbers including the disposition of each numbered form, whether by execution, destruction, or otherwise. Each credit-sale contract must contain or provide for all of the following:

1. The seller's name and address.
2. The conditions of delivery.
3. The amount and kind of grain delivered.
4. The price per unit or basis of value.
5. The date payment is to be made.

6. The duration of the credit-sale contract.
7. Notice in a clear and prominent manner that the sale is not protected by the bond coverage provided for in section 60-02-09, however, if the warehouseman has obtained bond coverage in addition to that required by section 60-02-09 and such coverage extends to the benefit of credit-sale contracts, the warehouseman may state the same in the credit-sale contract along with the extent of such coverage.

The contract must be signed by both parties and executed in duplicate. One copy shall be retained by the warehouseman and one copy shall be delivered to the seller. Upon revocation, termination, or cancellation of a warehouseman's license, the payment date for all credit-sale contracts shall, at the seller's option, be advanced to a date not later than thirty days after the effective date of the revocation, termination, or cancellation, and the purchase price for all unpriced grain shall be determined as of the effective date of revocation, termination, or cancellation in accordance with all other provisions of the contract. ~~However, if the license of the warehouseman is transferred to another licensed warehouseman, credit-sale contracts may be assigned to the transferee~~ When a public warehouse is transferred under this chapter, credit-sale contracts may be assigned to another licensed public warehouseman or facility-based grain buyer.

SECTION 2. AMENDMENT. Section 60-02.1-14 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-14. Credit-sale contracts. A grain buyer may not purchase grain by a credit-sale contract except as provided in this section. All credit-sale contracts must be in writing and must be consecutively numbered at the time of printing the contract. The grain buyer shall maintain an accurate record of all credit-sale contract numbers including the disposition of each numbered form, whether by execution, destruction, or otherwise. Each credit-sale contract must contain or provide for all of the following:

1. The seller's name and address.
2. The conditions of delivery.
3. The amount and kind of grain delivered.
4. The price per unit or basis of value.
5. The date payment is to be made.
6. The duration of the credit-sale contract.
7. Notice in a clear and prominent manner that the sale is not protected by the bond coverage provided for in section 60-02.1-08. However, if the grain buyer has obtained bond coverage in addition to that required by section 60-02.1-08 and the coverage extends to the benefit of credit-sale contracts, the grain buyer may state that fact in the credit-sale contract along with the extent of such coverage.

The contract must be signed by both parties and executed in duplicate. One copy must be retained by the grain buyer and one copy must be delivered to the seller. Upon revocation, termination, or cancellation of a grain buyer's license, the

payment date for all credit-sale contracts, at the seller's option, must be advanced to a date not later than thirty days after the effective date of the revocation, termination, or cancellation, and the purchase price for all unpriced grain must be determined as of the effective date of revocation, termination, or cancellation in accordance with all other provisions of the contract. ~~However, if the license of the grain buyer is transferred to another grain buyer or licensed warehouseman, credit-sale contracts, if so agreed by the seller and transferee, may be assigned to the transferee~~ When a facility is transferred under this chapter, credit-sale contracts may be assigned to another licensed facility-based grain buyer or public warehouseman.

SECTION 3. AMENDMENT. Subsection 4 of Section 60-02.1-01 of the North Dakota Century Code is amended and reenacted as follows:

4. "Facility-based grain buyer" means a grain buyer who operates a facility licensed under the United States Warehouse Act [7.U.S.C.241-273] where grain is received.