

State of North Dakota
Public Service Commission

Public Service Commission
Licensing
Rulemaking

Case No. GE-14-763

CHAPTER 69-07-02

LICENSING

Section

69-07-02-02 Grain Warehouse - Bond Schedule

69-07-02-02.1 Grain Buyer - Bond Schedule

~~69-07-02-02. Grain warehouse — Bond schedule bonds. The warehouse A licensee's required minimum bond is determined by the licensee's total physical capacity licensed by the licensee in the state. , the length of time the licensee has been licensed, the licensee's annual grain purchase volume, and the licensee's scale ticket conversion policy. The capacity of each warehouse, bin, annex, or any additional space must be specifically identified. The bond amounts are:~~

Capacity to 100,000 bushels	\$ 50,000
From 100,001 bushels through 125,000 bushels	\$ 62,500
From 125,001 bushels through 150,000 bushels	\$ 75,000
From 150,001 bushels through 175,000 bushels	\$ 87,500
From 175,001 bushels through 200,000 bushels	\$ 100,000
From 200,001 bushels through 225,000 bushels	\$ 112,500
From 225,001 bushels through 250,000 bushels	\$ 125,000
From 250,001 bushels through 275,000 bushels	\$ 137,500

From 275,001 bushels through 300,000 bushels	\$ 150,000
From 300,001 bushels through 325,000 bushels	\$ 162,500
From 325,001 bushels through 350,000 bushels	\$ 175,000
From 350,001 bushels through 375,000 bushels	\$ 187,500
From 375,001 bushels through 400,000 bushels	\$ 200,000
From 400,001 bushels through 425,000 bushels	\$ 212,500
From 425,001 bushels through 450,000 bushels	\$ 225,000
From 450,001 bushels through 475,000 bushels	\$ 237,500
From 475,001 bushels through 500,000 bushels	\$ 250,000

A licensee with a capacity in excess of five hundred thousand bushels must furnish additional bond coverage of five thousand dollars for each twenty five thousand bushels of capacity or fraction thereof.

Unless the commission determines that an increase is necessary to accomplish the purpose of North Dakota Century Code chapter 60-02, the bond of a warehouseman shall not exceed one million five hundred thousand dollars.

- a. If no special circumstance described in this section applies, the required bond is based on capacity and years licensed.
 1. For a licensee with capacity up to five hundred thousand bushels, the required bond is sixty-five cents per bushel with a minimum bond of sixty-five thousand dollars, if licensed less than seven years, and the required bond is fifty cents per bushel with a minimum bond of fifty thousand dollars, if licensed seven years or more.

2. If a licensee's total capacity is more than five hundred thousand bushels, additional bond is required. The additional required bond is twenty-six cents per bushel for each bushel over five hundred thousand bushels, if licensed less than seven years, and twenty cents per bushel for each bushel over five hundred thousand bushels, if licensed seven years or more.
- b. If the total annual grain purchase volume of a licensee is more than seven times the licensee's bonded capacity, additional bond coverage is required. The additional required bond is twenty cents per bushel for each bushel by which the licensee's total annual purchase volume exceeds seven times the licensee's bonded capacity. The application of this section to a new licensee will be based upon the licensee's projected annual grain purchase volume.
- c. A required bond may be reduced based on a licensee's conversion policy. The required bond is reduced by 30% for a licensee that establishes and follows a conversion policy approved by the Public Service Commission of 10 days or less, and by 15% for a licensee that establishes and follows a conversion policy approved by the Public Service Commission of 11 to 21 days.
- d. Except as provided in subsection e, the bond of a warehouseman may not exceed two million dollars.

e. The commission may require an increase in the amount of any bond when necessary to accomplish the purposes of North Dakota Century Code chapter 60-02.

History: Amended effective May 1, 1984; August 1, 1999; _____.

General Authority: NDCC 60-02-03

Law Implemented: NDCC 60-02-02, 60-02-07, 60-02-09

69-07-02-02.1. Grain buyer—~~Bond schedule~~ bonds. The grain

~~buyer bond is determined by the three-year rolling average of grain purchased annually in this state by the grain buyer. The bond amounts are:~~

A licensee's required minimum bond is determined by the volume of grain the licensee purchases annually in the state.

~~Up to 100,000 bushels _____ \$50,000~~

~~For each additional 100,000 bushels or fraction thereof~~

~~in excess of 100,000 and up to 1,000,000 _____ \$20,000~~

~~For each additional 100,000 bushels or fraction thereof~~

~~in excess of 1,000,000 _____ \$ 5,000~~

~~For a new licensee, the first year's bond shall be based on the projected purchase volume and the second year's bond and third year's bond shall be based on the average actual volume according to the above schedule.~~

~~Unless the commission determines that an increase is necessary to accomplish the purpose of North Dakota Century Code chapter 60-02.1, the bond of a facility-based grain buyer shall not exceed one million dollars nor shall the bond of a non-facility-based grain buyer exceed one million five hundred thousand dollars.~~

- a. As used in subsection b “grain purchase volume” means:
1. A three year rolling average of total annual grain purchase volume for a licensee licensed more than three years.
 2. An actual three year average of total annual grain purchase volume for a licensee licensed three years.
 3. An actual two year average of total annual grain purchase volume for a licensee licensed two years.
 4. Total annual grain purchase volume for a licensee licensed one year.
 5. The licensee’s projected annual grain purchase volume for a new licensee.
- b. The minimum bond for a facility-based grain buyer is:
1. Fifty cents per bushel if a licensee’s total annual grain purchase volume is one hundred thousand bushels or less, with a minimum of fifty thousand dollars.
 2. If a licensee’s total annual grain purchase volume is more than one hundred thousand bushels up to and including one million bushels, the required bond is the amount in subdivision 1 plus twenty cents per bushel for each bushel by which the licensee’s total annual grain purchase volume exceeds one hundred thousand bushels up to and including one million bushels.
 3. If a licensee’s total annual grain purchase volume is more than one million bushels, the required bond is the amount in subdivisions 1

and 2 plus five cents per bushel for each bushel by which the licensee's total annual grain purchase volume exceeds one million bushels.

- c. The minimum bond for a roving grain buyer is:
 - 1. Fifty cents per bushel if the licensee's total projected annual grain purchase volume is five hundred thousand bushels or less, with a minimum of fifty thousand dollars.
 - 2. If a licensee's total projected annual grain purchase volume is more than five hundred thousand bushels, the required bond is the amount in subdivision 1 plus twenty cents per bushel for each bushel by which the licensee's total projected annual grain purchase volume exceeds five hundred thousand bushels.
- d. Except as provided in subsection e, the bond of a grain buyer may not exceed two million dollars.
- e. The commission may require an increase in the amount of any bond when necessary to accomplish the purposes of North Dakota Century Code chapter 60-02.1.

History: Effective August 1, 1999; amended effective August 1, 2000;_____.

General Authority: NDCC 60-02.1-03

Law Implemented: NDCC 60-02.1-03, 60-02.1-08