

IN THE SENATE

SENATE BILL NO. 1125

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO WAREHOUSES; AMENDING SECTION 69-223, IDAHO CODE, TO PROVIDE FOR
2 ELECTRONIC NEGOTIABLE WAREHOUSE RECEIPTS AND TO MAKE TECHNICAL CORREC-
3 TIONS.
4

5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 69-223, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 69-223. NEGOTIABLE WAREHOUSE RECEIPTS FOR COMMODITIES STORED -- CON-
9 TENTS -- CONDITIONS -- PENALTIES. Every negotiable warehouse receipt issued
10 for agricultural commodities stored in a warehouse licensed under the provi-
11 sions of this chapter shall be issued in accordance with, but not limited to,
12 the following:

13 (1) Every negotiable warehouse receipt issued for agricultural com-
14 modities stored in a warehouse licensed under the provisions of this chapter
15 shall embody within its written or printed terms:

16 (a) All the requirements of a negotiable warehouse receipt under the
17 Uniform Commercial Code--Documents of Title.

18 (b) A description of the agricultural commodities received, showing
19 the quantity thereof, or, in case of agricultural commodities custom-
20 arily put up in bales or packages, a description of such bales or pack-
21 ages by marks, numbers, or other means of identification and the weight
22 of such bales or packages.

23 (c) The grade or other class of the agricultural commodities received
24 and the standard or description in accordance with which such classi-
25 fication has been made: provided, that such grade or other class shall
26 be stated according to the official standards of the state applicable
27 to such agricultural commodities as the same may be fixed and promul-
28 gated under authority of law; provided further that until such official
29 standards of the state for any agricultural commodity or commodities
30 have been fixed and promulgated, the grade or other class thereof may be
31 stated in accordance with any recognized standard; provided, that un-
32 less otherwise required by law, when requested by the depositor of other
33 than fungible agricultural commodities, a receipt omitting compliance
34 with this subdivision may be issued if it has plainly and conspicuously
35 embodied in its written or printed terms a provision that such nego-
36 tiable warehouse receipt is not graded.

37 (d) A statement that the negotiable warehouse receipt is issued subject
38 to the provisions of this chapter and the rules prescribed hereunder.

39 (e) Such other terms and conditions within the limitations of this
40 chapter as may be required by the department.

41 (f) All negotiable warehouse receipts issued under the provisions of
42 this chapter, shall be:

1 (i) Upon forms prepared and supplied by the department and is-
2 sued upon requisition of the warehouseman at a reasonable cost; or
3 (ii) In electronic form, through a system approved by the United
4 States department of agriculture, accessible by the Idaho state
5 department of agriculture, and all costs of implementation and
6 other related costs shall be borne by the public warehouse,
7 warehouse, warehouseman, or commodity dealer. Such electronic
8 negotiable warehouse receipts shall have the same validity and
9 enforceability as those in nonelectronic form and the terms "writ-
10 ten" and "printed," and derivatives thereof, when used in relation
11 to negotiable warehouse receipts, shall include such receipts
12 created or displayed electronically. The department is autho-
13 rized to promulgate rules necessary for the implementation and
14 operation of such electronic system.

15 (2) Any warehouseman, agent, employee or manager of a public warehouse
16 licensed under the provisions of this chapter who shall remove or allow to be
17 removed any commodities from the facility on which the negotiable warehouse
18 receipt was issued, except to preserve the same from fire or other damage, or
19 except when an emergency storage situation exists as determined by the di-
20 rector, without the return and cancellation of any and all outstanding ne-
21 gotiable warehouse receipts that may have been issued to represent such com-
22 modities shall be guilty of a felony and be punished by imprisonment in the
23 state prison not to exceed ten (10) years, or by a fine of not more than ten
24 thousand dollars (\$10,000), or by both.