

GRAIN DEALERS ACT (EXCERPT)
Act 141 of 1939

285.63 Grain dealer; license required; issuance; prohibited conduct; allowable net asset requirements; surety bond; acting as grain dealer without license; misdemeanor; review of books and records; injunction.

Sec. 3.

(1) A person shall not act or offer to act as a grain dealer in this state without a license from the department issued under this act.

(2) A grain dealer shall not process or store farm produce, issue a warehouse receipt, charge or collect a fee for storage of farm produce, issue a price later agreement, or issue an acknowledgment of receipt for delivery of farm produce except in compliance with this act.

(3) Subject to subsection (4), the department may refuse to issue or renew a license to a grain dealer unless the grain dealer meets at least 1 of the following at the time the grain dealer submits the application:

(a) Has allowable net assets of \$100,000.00 or more and handled 1,000,000 or fewer bushels of farm produce in the grain dealer's most recent fiscal year.

(b) Has allowable net assets of \$100,000.00 or more, and the allowable net assets equal or exceed the product of 10 cents multiplied by the number of bushels of farm produce handled by the grain dealer in the grain dealer's most recent completed fiscal year.

(4) If a grain dealer fails to meet any of the allowable net asset requirements under subsection (3), the department may issue or renew the license if the grain dealer provides the department with a negotiable bond issued by a surety authorized to conduct business in this state, or proof of establishment of a restricted account in a financial institution that conducts business in this state, acceptable to the department and of which the department is the sole beneficiary, that is in an amount equal to the amount by which the grain dealer's allowable net assets failed to meet the allowable net asset requirement applicable under subsection (3).

(5) A person that acts or offers to act as a grain dealer without a license is guilty of a misdemeanor. Each day that the person acts or offers to act as a grain dealer without a license is a separate misdemeanor.

(6) If the director has probable cause to believe that a person is acting or offering to act as a grain dealer without a license, the director may review the books and records relating to the operations of the person.

(7) On the application of the department, a court in this state shall issue a temporary or permanent injunction that enjoins a person from acting as a grain dealer without a license, issuing a warehouse receipt or price later agreement without a license, or interfering with an employee of the department or a receiver appointed under this act that is performing his or her duties under this act.

History: 1939, Act 141, Eff. Sept. 29, 1939 ;-- CL 1948, 285.63 ;-- Am. 1962, Act 159, Eff. Mar. 28, 1963 ;-- Am. 1976, Act 259, Imd. Eff. Aug. 12, 1976 ;-- Am. 1979, Act 206, Imd. Eff. Jan. 8, 1980 ;-- Am. 1982, Act 33, Eff. Sept. 12, 1982 ;-- Am. 1984, Act 169, Imd. Eff. June 29, 1984 ;-- Am. 1996, Act 311, Imd. Eff. June 24, 1996 ;-- Am. 2002, Act 80, Eff. Mar. 31, 2003 ;-- Am. 2016, Act 263, Eff. Sept. 26, 2016

Compiler's Notes: Section 2 of Act 33 of 1982 provides: "This amendatory act shall take effect 6 months after it has been enacted into law and shall apply only to licenses issued or renewed after the effective date."

Admin Rule: R 285.560.1 et seq. of the Michigan Administrative Code.