

WHOLESALE POTATO DEALERS (EXCERPT)
Act 158 of 1964

290.458 Irrevocable letter of credit or surety bond required; exemptions; falsification of application, statement, or record.

Sec. 8.

(1) An applicant for a wholesale potato dealer license shall file with the application or have on file with the director an irrevocable letter of credit issued by a financial institution on a form provided by the director providing that funds be made available against a sight draft drawn by the director in the manner described in section 9 or file or have on file a surety bond in favor of the director on a form provided by the director and executed by a surety company registered in this state. The bond shall be conditioned for all of the following:

- (a) Observance of laws relating to the carrying on of the business of a wholesale potato dealer.
- (b) Payment when due of the purchase price of potatoes purchased by the wholesale potato dealer.
- (c) Prompt settlement and payment of claims and charges due to this state for services rendered.
- (d) Prompt reporting of sales to persons consigning potatoes to the licensee for sale on commission.
- (e) Prompt payment to persons entitled to payment of the proceeds of sales, less lawful charges, disbursements, and commissions.

(2) The director shall not require a grower cooperative to furnish a bond or an irrevocable letter of credit for potatoes bought, sold, handled, or stored by the grower cooperative on behalf of its members. The grower cooperative shall furnish a bond or irrevocable letter of credit for potatoes bought, sold, handled, or stored on behalf of its nonmembers.

(3) An applicant for a wholesale potato dealer license shall not falsify an application, statement, or record required under this act.

(4) A wholesale potato dealer who buys an aggregate amount of less than 30,000 pounds of potatoes during each calendar month of a calendar year is exempt from this section and section 9 for the following calendar year.

History: 1964, Act 158, Eff. Aug. 28, 1964 ;-- Am. 1968, Act 63, Eff. May 31, 1968 ;-- Am. 1978, Act 4, Imd. Eff. Feb. 7, 1978 ;-- Am. 1992, Act 171, Eff. Oct. 20, 1992