Credit-Sale Contract

Indemnity Fund Workshop

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Credit-Sale Contract
Indemnity Fund Workshop

- Thank you
- Introduction
- Commission role
  - Division’s role
Creation of the Indemnity Fund

What is it?

Where money comes from

Who participates

Where money goes

How long collections will last
History

- Interim Study – 1999 - 2000
- Wimbledon – January 2002
- $478,000 – March 2004
- Legislative Session - 2003
Credit–Sale Contract Definition

- Definition - NDCC §§ 60-02-01(2) & 60-02.1-01 (2)
  - Credit-sale contract means a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale and which contains the notice provided... Where a part of the sale price of a contract for the sale of grain is to be paid or may be paid more than 30 days after the delivery or release of the grain for sale, only such part of the contract is a credit-sale contract.

- Commonly used kinds of contracts
- Combination contracts
Credit-Sale Contract Contents

- NDCC §§ 60-02-19.1, 60-02.1-14 & 60-10-01
  - In writing
  - Consecutively numbered
  - Contain sellers name and address
  - Conditions of delivery
  - Contain the amount and kind of grain delivered
  - Contain the price per unit or basis of value
  - Date payment is to be made & duration of contract
  - Disclaimer language
  - MUST BE SIGNED BY BOTH PARTIES
  - Provide for assessment
Indemnity Fund Documents

- Remittance form
- Poster
- Ledger contains
  - Contract number
  - Seller’s name
  - Date contract signed by seller
  - Date paid
  - Remittance at 2/10 of 1% (.002)
Assessments Taken/Remittances

- When to apply
  - Preferred
  - Optional

- Mandatory to file quarterly
- Within 30 days of end of quarter
Convert Scale Tickets

- Law provides
  - All scale tickets must be converted into cash, noncredit-sale contracts, credit-sale contracts, or warehouse receipts within 30 days after the grain is delivered to the warehouse.
Refunds

- Must be in writing
- List of errors
Credit-Sale Contract Bonds

- Elevator’s decision
- Double coverage
  - What it mean’s
Insolvency

- Who could force insolvency
  - Prior to August 1, 2003
  - After August 1, 2003

- Who is eligible
  - Payout
  - Debt obligation
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Thank you!