

AN ACT concerning warehouses.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Grain Code is amended by changing Section 10-25 as follows:

(240 ILCS 40/10-25)

Sec. 10-25. Warehouse receipts and storage of grain.

(a) When grain is delivered to a warehouseman at a location where grain is also purchased, the licensee shall give written evidence of delivery of grain and that written evidence shall be marked to indicate whether the grain is delivered for storage or for sale. In the absence of adequate evidence of sale, the grain shall be construed to be in storage.

(b) Upon demand by a depositor, a warehouseman shall issue warehouse receipts for grain delivered into storage.

(c) There shall be no charge for the first warehouse receipt issued to a depositor for a given lot of grain. Charges for any additional warehouse receipts for grain previously covered by a warehouse receipt must be commensurate with the cost of issuance of the additional warehouse receipt.

(d) A warehouseman shall issue warehouse receipts only in accordance with the following requirements:

(1) Warehouse receipts shall be consecutively numbered in a form prescribed by the Department and issued consecutively by the warehouseman.

(2) In the case of a lost or destroyed warehouse receipt, the new warehouse receipt shall bear the same date as the original and shall be plainly marked on its face "duplicate in lieu of lost or destroyed warehouse receipt number", and the warehouseman shall duly fill in the blank with the appropriate warehouse receipt number.

(3) Warehouse receipts shall be printed by a person

authorized by the Department. The person shall register with the Department and pay an annual registration fee of \$100 to print warehouse receipts.

(4) Negotiable warehouse receipts shall be issued only for grain actually in storage with the warehouseman from which it is issued or redeposited by that warehouseman as provided in subsection (e) of Section 10-20.

(5) A warehouseman shall not insert in any negotiable warehouse receipt issued by it any language that in any way limits or modifies its liability or responsibility.

(e) Upon delivery of grain covered by a negotiable warehouse receipt, the holder of the negotiable warehouse receipt must surrender the warehouse receipt for cancellation, and a warehouseman must cancel and issue a new negotiable warehouse receipt for the balance of grain in storage.

(f) When all grain, the storage of which is evidenced by a warehouse receipt, is delivered from storage, the warehouse receipt shall be plainly marked across its face with the word "cancelled" and shall have written on it the date of cancellation, the name of the person canceling the warehouse receipt, and such other information as required by rule, and is thereafter void.

(g) When a warehouseman delivers grain out of storage but fails to collect and cancel the negotiable warehouse receipt, the warehouseman shall be liable to any purchaser of the negotiable warehouse receipt for value in good faith for failure to deliver the grain to the purchaser, whether the purchaser acquired the negotiable warehouse receipt before or after the delivery of the grain by the warehouseman. If, however, grain has been lawfully sold by a warehouseman to satisfy its warehouseman's lien, the warehouseman shall not be liable for failure to deliver the grain pursuant to the demands of a holder of a negotiable warehouse receipt to the extent of the amount of grain sold.

(h) Except as otherwise provided by this Code or other applicable law, a warehouseman shall deliver the grain upon

demand made by the holder of a warehouse receipt pertaining to that grain if the demand is accompanied by:

(1) satisfaction of the warehouseman's lien;

(2) in the case of a negotiable warehouse receipt, a properly endorsed negotiable warehouse receipt; or

(3) in the case of a non-negotiable warehouse receipt, written evidence that the grain was delivered to the warehouseman and that the depositor is entitled to it.

(i) If no warehouse receipt is issued to a depositor, a warehouseman shall deliver grain upon the demand of a depositor if the demand is accompanied by satisfaction of the warehouseman's lien and written evidence that the grain was delivered to the warehouseman and the depositor is entitled to it.

(j) If a warehouseman refuses or fails to deliver grain in compliance with a demand by a holder of a warehouse receipt or a depositor, the burden is on the warehouseman to establish the existence of a lawful excuse for the refusal.

(k) If a warehouse receipt has been lost or destroyed, a warehouseman may issue a substitute warehouse receipt, as provided for in this Section, upon delivery to the warehouseman of an affidavit under oath stating that the applicant for the substitute warehouse receipt is entitled to the original warehouse receipt and setting forth the circumstances that resulted in the loss or destruction of the original warehouse receipt. The warehouseman may request from the depositor a bond in double the value of the grain represented by the original warehouse receipt at the time of issuance of the substitute warehouse receipt so as to protect the warehouseman from any liability or expense that it, or any person injured by the delivery, may incur by reason of the original warehouse receipt remaining outstanding.

(l) A warehouse receipt that is to be used for collateral purposes by a warehouseman must be first issued by the warehouseman to itself.

(m) The Department shall approve temporary storage space in

an amount to be determined by the Department if all the following conditions are met:

(1) The warehouseman pays all fees and assessments associated with the temporary storage space.

(2) The warehouseman demonstrates that there is a need for additional storage on a temporary basis due to a bumper crop or otherwise.

(3) The structure for the storage of grain meets all of the following requirements:

(A) The grain storage area has a permanent base made of concrete, asphalt, or a material having similar structural qualities.

(B) Hot spot detectors, aeration fans, and ducts are provided to assure that the quality of grain in storage is maintained.

(C) The grain storage structure has rigid sidewalls made of concrete, wood, metal, or a material having similar structural qualities.

(D) The grain storage structure is equipped with a waterproof covering of sufficient strength to support a person's weight and with inlets to allow airflow.

(E) Access to the grain is provided for the purpose of sampling and making examinations.

(4) Temporary storage space shall be considered an increase in the licensed storage capacity of the licensee and shall be subject to Section 5-30.

(5) The authorization to use temporary storage space for the storage of grain shall expire at the end of 6 months after the date of approval by the Department or May 15th, whichever comes first.

(n) The Department may approve emergency storage space at the request of the licensee according to rule.

(o) The issuance and transfer of the warehouse receipts in electronic form pursuant to rules promulgated by the Department are specifically authorized by this Code, and any such warehouse receipts shall have the same validity and

enforceability, for all purposes, as those in non-electrical form. For purposes of this Code, the words "written" and "printed", and derivatives thereof, when used in relation to warehouse receipts, shall include warehouse receipts created or displayed electronically.

(Source: P.A. 91-213, eff. 7-20-99.)

Section 99. Effective date. This Act takes effect upon becoming law.