

HOUSE BILL ANALYSIS

HB 2630

Title: An act relating to warehouse receipts.

Brief Description: Changing warehouse receipts.

Sponsors: Representatives Schoesler, Mastin, Linville and Anderson; by request of Commissioner of Public Lands.

HOUSE COMMITTEE ON NATURAL RESOURCES

Meeting Date: January 28, 2000.

Bill Analysis Prepared by: Bill Lynch, Counsel (786-7092)

Background: The Commissioner of Public Lands is authorized to lease state lands on a share crop basis. In exchange for leasing the land, the state receives a percentage of the crop which is later sold by the state. A share crop lease may not exceed 10 years in duration.

When a lessee of state lands harvests the crops covered by the lease, the lessee must notify the commissioner that the crop is being harvested, and provide the name and address of the warehouse or elevator to which the crop is sold or will be stored. The lessee must also provide the owner of the warehouse or elevator a copy of the part of the lease indicating the percentage owned by the state and the percentage owned by the lessee.

The owner of the warehouse or elevator where the crop is stored or sold must make out two warehouse receipts for this crop. The owner of the warehouse or elevator must provide the state with a warehouse receipt that indicates the state's share of the crop, and the lessee with a separate warehouse receipt indicating the lessee's share of the crop. The warehouse receipts covering these share crops are not negotiable.

Summary of Bill: The owner of a warehouse or elevator, where a crop that is subject to a share crop lease from the Commissioner of Public Lands is stored or sold, is required to make out a single warehouse receipt indicating the percentage of crop owned by

the state and the percentage of crop owned by the lessee. The warehouse receipt may be negotiable or nonnegotiable, as directed by the state.

Appropriation: None.

Fiscal Note: Requested January 24, 2000.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Rulemaking Authority: None.