ARTICLE 7-07
POULTRY DIVISION

Chapter
7-07-01 Poultry Business Bonds

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POULTRY BUSINESS BONDS

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7-07-01-01. Bond required.

Each applicant for a license under the provisions of North Dakota Century Code section 4-13.2-05 shall file with the application a bond, in the amount of ten thousand dollars, issued by an approved surety company. The department shall be named as the obligee in each bond but the bond shall be held for the purpose of protecting and for the benefit of any person buying or selling live poultry, as the case may be, to the licensee. Such bond shall be conditioned for all of the following:

1. The faithful performance by the licensee of the licensee's duties as such.
2. The compliance by the licensee with all of the provisions relating to the purchase or sale of poultry, as the case may be.
3. The full and complete payment to the seller for all poultry purchased by the licensee.
4. The full protection of any person who deals with the licensee.

Each bond shall cover the license period of the licensee.

Security may not be required for that portion of a licensee's business which is comprised of processing poultry raised and owned by the licensee or custom processing of poultry.

The department may waive the security requirements if it determines the volume of business is such that security would be impractical.

History: Amended effective January 1, 1993.
General Authority: NDCC 4-13.2-03, 4-13.2-05, 28-32-02
Law Implemented: NDCC 4-13.2-05

7-07-01-02. Licensee insolvency.

If any licensee defaults in the provisions of any bond, the licensee shall be deemed insolvent. Upon insolvency, the department by publication of a notice published once each week for three successive weeks in the official newspaper of the county in which the licensee operated shall notify all persons having claims against the licensee to file the claims with the department. Any person who shall fail to file the person's claim with the department, in the manner required by the department, and to surrender to it any receipts which have been obtained from such licensee within forty-five days after the last publication of notice shall be barred from participation upon the claim in any fund marshaled by the department as prescribed.

General Authority: NDCC 4-13.2-03, 4-13.2-05, 28-32-02
Law Implemented: NDCC 4-13.2-05

7-07-01-03. Distribution of bond proceeds.

Following the determination of the claims made in accordance with the procedures established by the department, the department shall prorate the claims and distribute the amount of bond proceeds accordingly. Any person contesting the validity of the claim shall be afforded a hearing to determine whether the claim is valid.

General Authority: NDCC 4-13.2-03, 4-13.2-05, 28-32-02
Law Implemented: NDCC 4-13.2-05