

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 96
HOUSE BILL 453

AN ACT TO AMEND G.S. 106-465 RELATING TO THE AUCTION SALE OF LEAF TOBACCO SO AS TO REQUIRE TOBACCO WAREHOUSES TO CARRY ADEQUATE FIRE INSURANCE AND EXTENDED COVERAGE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 106-465 is amended by inserting between the second and third paragraphs the following:

"Each Tobacco Board of Trade organized pursuant to this section shall, on or before June 1, 1973, by regulation, require that all auction warehouse firms which are members of, or may hereafter request membership in, such Board of Trade for the purpose of displaying for sale and selling leaf tobacco, deposit with the Board of Trade prior to the market opening, a copy of a policy of fire insurance and extended coverage in a company licensed to do business in North Carolina to fully insure, as determined by the Board of Trade, the market value of the maximum volume of tobacco that will be weighed and left displayed for sale on said warehouse floor at any time during the marketing season. Warehouses using mechanized conveyor line auction sales where tobacco is not displayed for sale on sales floor would be excluded from the requirement of this regulation.

In determining the market value and maximum volume of tobacco that will be weighed and placed on said warehouse floor at any one time, the Board of Trade shall use as criteria the prior season's official gross average price for that belt, as recorded by the North Carolina Department of Agriculture and the maximum limit of daily sales, as recommended by the currently functioning flue-cured and burley tobacco marketing organizations, applied to each warehouse based on the firm's pro rata share of the market's maximum limit daily sales opportunity, multiplied times the number of days of sales that said warehouse plans to place on sales floor at any one time, including any and all tobacco weighed and deposited with the warehouse as bailee for future sale. The data relating to the official average price and the maximum limits of daily sales shall be assembled and supplied by the North Carolina Commissioner of Agriculture or his representative to the Board of Trade in each tobacco market in North Carolina, at least 30 days prior to the opening of markets in each belt.

It shall be unlawful for any person, firm, or corporation to operate an auction sale in said market until said policy is so deposited with and approved by the Board of Trade. The Board of Trade shall enjoin the sale of tobacco by any warehouse firm that fails to so deposit a policy of fire insurance and extended coverage with the Board."

Sec. 2. This act shall become effective upon its ratification.

In the General Assembly read three times and ratified, this the 21st day of March, 1973.