

1989 Assembly Bill 332

Date of enactment: April 5, 1990
Date of publication*: April 20, 1990

1989 WISCONSIN ACT 163

AN ACT to amend 99.02 (1), 99.03 (2) (intro.) and 99.04 (2); to repeal and recreate 99.03 (title) and (1) and 99.03 (3); and to create 99.03 (6) of the statutes, relating to: the security required for warehouse keepers.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 99.02 (1) of the statutes is amended to read:

99.02 (1) APPLICATION. Except as provided in sub. (2), no person may operate a warehouse, including a cold storage warehouse, for the storage of property as bailee for hire without a public warehouse keeper's license. A person desiring a public warehouse keeper's license shall apply on a form furnished by the department and shall set forth the location, size, character and equipment of the building or premises to be used by the applicant, the kinds of goods intended to be stored, the name of each partner if a partnership, the names of the officers if a corporation, and such other facts as the department requires to show that the property proposed to be used is suitable for a warehouse and that the applicant is qualified as a public warehouse keeper. If the property proposed to be used is suitable for a public warehouse and the applicant is otherwise qualified, a license shall be issued upon payment of the license fee under sub. (3) and the filing of a ~~bond~~ security or insurance as required under s. 99.03.

SECTION 2. 99.03 (title) and (1) of the statutes are repealed and recreated to read:

99.03 (title) Public warehouse keeper; security.

(1) SECURITY REQUIRED; FORM OF SECURITY. Every applicant for a public warehouse keeper's license shall file with the department any of the following:

(a) A commercial surety bond that is issued by a surety company licensed to do business in this state, that secures the applicant's faithful performance of all duties

and obligations of a public warehouse keeper, that is payable to the department for the benefit of owners of stored property or their assignees, that is issued in a form acceptable to the department that provides that it may not be terminated without at least 30 days' written notice to the department.

(b) An original or certified copy of a legal liability insurance policy that is payable to the department for the benefit of the owners of stored property or their assignees, that is in a form acceptable to the department and that provides that it may not be terminated except upon at least 30 days' written notice to the department.

(c) A personal bond or 3rd-party guarantee in a form acceptable to the department and supported by one of the following forms of security held under sub. (3):

1. Cash.
2. A certificate of deposit.
3. Bonds.
4. An irrevocable bank letter of credit issued by a financial institution in this state.

(d) If the warehouse keeper is engaged exclusively in storing wearing apparel, an original or certified copy of a bailee's customers' insurance policy that protects the owners of all stored property against loss or damage by fire, wind, water or theft, that names the department as an additional insured party for the benefit of owners of stored property, that is in a form acceptable to the department and that provides that it may not be terminated except upon 30 days' written notice to the department.

SECTION 3. 99.03 (2) (intro.) of the statutes is amended to read:

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99.03 (2) (title) AMOUNT OF SECURITY REQUIRED. (intro.) The aggregate amount of the ~~bond or insurance policy~~ security required under sub. (1) (a) to (c) shall be not less than the following:

SECTION 4. 99.03 (3) of the statutes is repealed and recreated to read:

99.03 (3) SECURITY HELD BY DEPARTMENT; RELEASE. The department or its agent shall hold security filed under sub. (1) (c). The security shall remain in effect, and the department may not release it, until one of the following occurs:

(a) A period of 180 days elapses after the warehouse keeper gives notice to the department that the warehouse keeper is no longer in business.

(b) A period of 180 days elapses after the warehouse keeper's license expires or is revoked.

(c) The department determines that the warehouse keeper is no longer in business and that all claims of persons storing property at the warehouse have been satisfied.

SECTION 5. 99.03 (6) of the statutes is created to read:

99.03 (6) INSUFFICIENT SECURITY; DEPARTMENT ORDER; LICENSE SUSPENSION. If the department finds that the security or insurance policy filed by a warehouse keeper does not comply with sub. (2) or that a bond or insurance policy has been cancelled without the required notice to the department, the department may summarily suspend the warehouse keeper's license without notice or a hearing. A person adversely affected by an order under this subsection is entitled to a prompt hearing before the department upon request. A request for hearing does not stay an order under this subsection.

SECTION 6. 99.04 (2) of the statutes is amended to read:

99.04 (2) INSPECTION. The department ~~shall~~ may inspect all public warehouses as necessary to secure compliance with this ~~subchapter~~ chapter or any rules of the department prescribing standards for the suitability of storage facilities, the maintenance of storage records and the safeguarding of property while in storage. For purposes of inspection and enforcement, the department shall have access to all public warehouses regulated under this ~~subchapter~~ chapter at all reasonable times.