

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE HOUSE BILL 1142**

Chapter 174, Laws of 1991

52nd Legislature  
1991 Regular Session

PROCESSOR AND PREPARER LIENS

EFFECTIVE DATE: 7/28/91

Passed by the House February 20, 1991  
Yeas 97 Nays 0

JOE KING  
Speaker of the  
House of Representatives

Passed by the Senate April 18, 1991  
Yeas 47 Nays 0

JOEL PRITCHARD  
President of the Senate

Approved May 15, 1991

BOOTH GARDNER  
Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1142** as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON  
Chief Clerk

FILED

May 15, 1991 - 11:21 a.m.

Secretary of State  
State of Washington



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**SUBSTITUTE HOUSE BILL 1142**

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AS AMENDED BY THE SENATE

Passed Legislature - 1991 Regular Session

**State of Washington**

**52nd Legislature**

**1991 Regular Session**

**By** House Committee on Agriculture & Rural Development (originally sponsored by Representatives Rasmussen, Bowman, Chandler, Kremen, Spanel, Roland, Tate, Sprenkle, McLean, Dorn, Rayburn, Haugen, Riley, R. Johnson, Grant, Jones, Phillips, Orr, Brumsickle, Ferguson, Ballard, P. Johnson, Sheldon, Hochstatter, Paris, Fuhrman, Morton, Padden, Edmondson, Lisk, Betrozoff, Wynne, Nealey and Moyer).

Read first time February 1, 1991.

1       AN ACT Relating to processor and preparer liens; and amending RCW  
2       20.01.010 and 60.13.010.

3       BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4       **Sec. 1.** RCW 20.01.010 and 1989 c 354 s 37 are each amended to read  
5       as follows:

6       As used in this title the terms defined in this section have the  
7       meanings indicated unless the context clearly requires otherwise.

8       (1) "Director" means the director of agriculture or his duly  
9       authorized representative.

10       (2) "Person" means any natural person, firm, partnership, exchange,  
11       association, trustee, receiver, corporation, and any member, officer,  
12       or employee thereof or assignee for the benefit of creditors.

13       (3) "Agricultural product" means any unprocessed horticultural,  
14       vermicultural and its byproducts, viticultural, berry, poultry, poultry

1 product, grain, bee, or other agricultural products, and includes mint  
2 or mint oil processed by or for the producer thereof and hay and straw  
3 baled or prepared for market in any manner or form and livestock.  
4 (~~When used in RCW 60.13.020, "agricultural product" means~~  
5 ~~horticultural, viticultural, and berry products, hay and straw, and~~  
6 ~~turf and forage seed and applies only when such products are delivered~~  
7 ~~to a processor or conditioner in an unprocessed form.))~~

8 (4) "Producer" means any person engaged in the business of growing  
9 or producing any agricultural product, whether as the owner of the  
10 products, or producing the products for others holding the title  
11 thereof.

12 (5) "Consignor" means any producer, person, or his agent who sells,  
13 ships, or delivers to any commission merchant, dealer, cash buyer, or  
14 agent, any agricultural product for processing, handling, sale, or  
15 resale.

16 (6) "Commission merchant" means any person who receives on  
17 consignment for sale or processing and sale from the consignor thereof  
18 any agricultural product for sale on commission on behalf of the  
19 consignor, or who accepts any farm product in trust from the consignor  
20 thereof for the purpose of resale, or who sells or offers for sale on  
21 commission any agricultural product, or who in any way handles for the  
22 account of or as an agent of the consignor thereof, any agricultural  
23 product.

24 (7) "Dealer" means any person other than a cash buyer, as defined  
25 in subsection (10) of this section, who solicits, contracts for, or  
26 obtains from the consignor thereof for reselling or processing, title,  
27 possession, or control of any agricultural product, or who buys or  
28 agrees to buy any agricultural product from the consignor thereof for  
29 sale or processing and includes any person, other than one who acts  
30 solely as a producer, who retains title in an agricultural product and

1 delivers it to a producer for further production or increase. For the  
2 purposes of this chapter, the term dealer includes any person who  
3 purchases livestock on behalf of and for the account of another, or who  
4 purchases cattle in another state or country and imports these cattle  
5 into this state for resale.

6 (8) "Limited dealer" means any person operating under the  
7 alternative bonding provision in RCW 20.01.211.

8 (9) "Broker" means any person other than a commission merchant,  
9 dealer, or cash buyer who negotiates the purchase or sale of any  
10 agricultural product, but no broker may handle the agricultural  
11 products involved or proceeds of the sale.

12 (10) "Cash buyer" means any person other than a commission  
13 merchant, dealer, or broker, who obtains from the consignor thereof for  
14 the purpose of resale or processing, title, possession, or control of  
15 any agricultural product or who contracts for the title, possession, or  
16 control of any agricultural product, or who buys or agrees to buy for  
17 resale any agricultural product by paying to the consignor at the time  
18 of obtaining possession or control of any agricultural product the full  
19 agreed price of the agricultural product, in coin or currency, lawful  
20 money of the United States. However, a cashier's check, certified  
21 check, or bankdraft may be used for the payment. For the purposes of  
22 this subsection, "agricultural product," does not include hay, grain,  
23 straw, or livestock.

24 (11) "Agent" means any person who, on behalf of any commission  
25 merchant, dealer, broker, or cash buyer, acts as liaison between a  
26 consignor and a principal, or receives, contracts for, or solicits any  
27 agricultural product from the consignor thereof or who negotiates the  
28 consignment or purchase of any agricultural product on behalf of any  
29 commission merchant, dealer, broker, or cash buyer and who transacts  
30 all or a portion of that business at any location other than at the

1 principal place of business of his employer. With the exception of an  
2 agent for a commission merchant or dealer handling horticultural  
3 products, an agent may operate only in the name of one principal and  
4 only to the account of that principal.

5 (12) "Retail merchant" means any person operating from a bona fide  
6 or established place of business selling agricultural products twelve  
7 months of each year.

8 (13) "Fixed or established place of business" for the purpose of  
9 this chapter means any permanent warehouse, building, or structure, at  
10 which necessary and appropriate equipment and fixtures are maintained  
11 for properly handling those agricultural products generally dealt in,  
12 and at which supplies of the agricultural products being usually  
13 transported are stored, offered for sale, sold, delivered, and  
14 generally dealt ~~((in))~~ with in quantities reasonably adequate for and  
15 usually carried for the requirements of such a business, and that is  
16 recognized as a permanent business at such place, and carried on as  
17 such in good faith and not for the purpose of evading this chapter, and  
18 where specifically designated personnel are available to handle  
19 transactions concerning those agricultural products generally dealt in,  
20 which personnel are available during designated and appropriate hours  
21 to that business, and shall not mean a residence, barn, garage, tent,  
22 temporary stand or other temporary quarters, any railway car, or  
23 permanent quarters occupied pursuant to any temporary arrangement.

24 (14) "Processor" means any person, firm, company, or other  
25 organization that purchases agricultural crops from a consignor and  
26 that cans, freezes, dries, dehydrates, cooks, presses, powders, or  
27 otherwise processes those crops in any manner whatsoever for eventual  
28 resale.

29 (15) "Pooling contract" means any written agreement whereby a  
30 consignor delivers a horticultural product to a commission merchant

1 under terms whereby the commission merchant may commingle the  
2 consignor's horticultural products for sale with others similarly  
3 agreeing, which must include all of the following:

4 (a) A delivery receipt for the consignor that indicates the variety  
5 of horticultural product delivered, the number of containers, or the  
6 weight and tare thereof;

7 (b) Horticultural products received for handling and sale in the  
8 fresh market shall be accounted for to the consignor with individual  
9 pack-out records that shall include variety, grade, size, and date of  
10 delivery. Individual daily packing summaries shall be available within  
11 forty-eight hours after packing occurs. However, platform inspection  
12 shall be acceptable by mutual contract agreement on small deliveries to  
13 determine variety, grade, size, and date of delivery;

14 (c) Terms under which the commission merchant may use his judgment  
15 in regard to the sale of the pooled horticultural product;

16 (d) The charges to be paid by the consignor as filed with the state  
17 of Washington;

18 (e) A provision that the consignor shall be paid for his pool  
19 contribution when the pool is in the process of being marketed in  
20 direct proportion, not less than eighty percent of his interest less  
21 expenses directly incurred, prior liens, and other advances on the  
22 grower's crop unless otherwise mutually agreed upon between grower and  
23 commission merchant.

24 (16) "Date of sale" means the date agricultural products are  
25 delivered to the person buying the products.

26 (17) "Conditioner" means any person, firm, company, or other  
27 organization that receives turf, forage, or vegetable seeds from a  
28 consignor for drying or cleaning.

29 (18) "Seed bailment contract" means any contract meeting the  
30 requirements of chapter 15.48 RCW.

1 (19) "Proprietary seed" means any seed that is protected under the  
2 Federal Plant Variety Protection Act.

3 (20) "Licensed public weighmaster" means any person, licensed under  
4 the provisions of chapter 15.80 RCW, who weighs, measures, or counts  
5 any commodity or thing and issues therefor a signed certified  
6 statement, ticket, or memorandum of weight, measure, or count upon  
7 which the purchase or sale of any commodity or upon which the basic  
8 charge of payment for services rendered is based.

9 (21) "Certified weight" means any signed certified statement or  
10 memorandum of weight, measure or count issued by a licensed public  
11 weighmaster in accordance with the provisions of chapter 15.80 RCW.

12 **Sec. 2.** RCW 60.13.010 and 1987 c 148 s 1 are each amended to read  
13 as follows:

14 As used in this chapter, the terms defined in this section have the  
15 meanings indicated unless the context clearly requires otherwise.

16 (1) "Agricultural ~~product~~" means any unprocessed  
17 horticultural, vermicultural and its byproducts, viticultural, berry,  
18 poultry, poultry product, grain, bee, or other agricultural products,  
19 and includes mint or mint oil processed by or for the producer thereof  
20 and hay and straw baled or prepared for market in any manner or form  
21 and livestock. When used in RCW 60.13.020, "agricultural product"  
22 means horticultural, viticultural, aquacultural, or berry products, hay  
23 and straw, milk and milk products, or turf and forage seed and applies  
24 only when such products are delivered to a processor or conditioner in  
25 an unprocessed form.

26 (2) "Conditioner," "consignor," "person," (~~("processor,")~~) and  
27 "producer" have the meanings defined in RCW 20.01.010.

28 (~~(2)~~) (3) "Delivers" means that a producer completes the  
29 performance of all contractual obligations with reference to the

1 transfer of actual or constructive possession or control of an  
2 agricultural product to a processor or conditioner or preparer,  
3 regardless of whether the processor or conditioner or preparer takes  
4 physical possession.

5 (4) "Preparer" means a person engaged in the business of feeding  
6 livestock or preparing livestock products for market.

7 ~~((3))~~ (5) "Processor" means any person, firm, company, or other  
8 organization that purchases agricultural products except milk and milk  
9 products from a consignor and that cans, freezes, dries, dehydrates,  
10 cooks, presses, powders, or otherwise processes those crops in any  
11 manner whatsoever for eventual resale, or that purchases or markets  
12 milk from a dairy producer and is obligated to remit payment to such  
13 dairy producer directly.

14 (6) "Commercial fisherman" means a person licensed to fish  
15 commercially for or to take food fish or shellfish or steelhead legally  
16 caught pursuant to executive order, treaty right, or federal statute.

17 ~~((4))~~ (7) "Fish" means food fish or shellfish or steelhead  
18 legally caught pursuant to executive order, treaty right, or federal  
19 statute.

Passed the House February 20, 1991.

Passed the Senate April 18, 1991.

Approved by the Governor May 15, 1991.

Filed in Office of Secretary of State May 15, 1991.