
HOUSE BILL 1503

State of Washington

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By Representatives G. Chandler, Hatfield, Schoesler, Sump, Benson and Mastin

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1 AN ACT Relating to agricultural liens; and amending RCW
2 60.11.010, 60.11.020, 60.11.030, 60.11.050, 60.11.130, 62A.9A-310,
3 and 15.48.290.

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

5 **Sec. 1.** RCW 60.11.010 and 2000 c 250 s 9A-824 are each amended to
6 read as follows:

7 As used in this chapter, the following terms have the meanings
8 indicated unless the context clearly requires otherwise.

9 (1) "Agricultural bailment contract" means any bailment
10 contract for increasing, growing, or raising an agricultural
11 product or products where the bailor retains title to the
12 agricultural products increased, grown, or raised including but
13 not limited to any agricultural products or progeny produced under
14 the contract. "Agricultural bailment contract" includes, but is not
15 limited to, a seed bailment contract under chapter 15.48 RCW.

16 (2) "Agricultural product" means (a) any crop including but not
17 limited to any seed, cuttings, stock, or similar materials
18 provided by a bailor to produce the crop; and (b) livestock, other

1 than horses, mules, cattle, or sheep, and including but not
2 limited to any progeny of such livestock that are produced under
3 an agricultural bailment contract.

4 (3) "Bailee" means any tenant farmer or landowner, or both,
5 who, for an agreed compensation, agrees under the terms of an
6 agricultural bailment contract (a) to plant agricultural seeds,
7 cuttings, stock, or similar materials furnished by the bailor, to
8 care for and cultivate them, and to harvest and deliver to the
9 bailor the agricultural product or products resulting therefrom;
10 or (b) to feed, raise, and care for livestock furnished by the
11 bailor for return to the bailor along with any progeny resulting
12 therefrom. "Bailee" includes, but is not limited to, a bailee under
13 chapter 15.48 RCW.

14 (4) "Bailor" means any contractor who delivers agricultural
15 seed, cuttings, stock, or similar materials or livestock to a
16 bailee under the terms of an agricultural bailment contract which
17 requires the bailor to pay the bailee the amount of compensation
18 agreed to in the contract for the bailee's services in (a)
19 planting agricultural seeds or similar materials, caring for and
20 cultivating them, and harvesting and delivering the resulting
21 agricultural products to the bailor; or (b) feeding, raising, and
22 caring for livestock furnished by the bailor for return to the
23 bailor along with any progeny therefrom. "Bailor" includes, but is
24 not limited to, a bailor under chapter 15.48 RCW.

25 (5) "Crop" means all products of the soil either growing or
26 cropped, cut, or gathered which require annual planting,
27 harvesting, or cultivating. A crop includes orchard crops, but does
28 not include vegetation produced by the powers of nature alone,
29 nursery stock, or vegetation intended as a permanent enhancement
30 of the land itself.

31 ((+2+)) (6) "Handler" means a person who prepares an orchard
32 crop for market for the account of, or as agent for, the producer
33 of the orchard crop, which preparation includes, but is not
34 limited to, receiving, storing, packing, marketing, selling, or
35 delivering the orchard crop; and who takes delivery of the orchard
36 crop from the producer of the orchard crop or from another
37 handler. "Handler" does not include a person who solely transports

1 the orchard crop from the producer or another handler to another
2 person.

3 ~~((+3))~~ (7) "Landlord" means a person who leases or subleases
4 to a tenant real property upon which crops are growing or will be
5 grown.

6 ~~((+4))~~ (8) "Orchard crop" means cherries, peaches, nectarines,
7 plums or prunes, pears, apricots, and apples.

8 ~~((+5))~~ (9) "Secured party" and "security interest" have the
9 same meaning as used in the Uniform Commercial Code, Title 62A
10 RCW.

11 ~~((+6))~~ (10) "Supplier" includes, but is not limited to, a
12 person who furnishes seed, furnishes and/or applies commercial
13 fertilizer, pesticide, fungicide, weed killer, or herbicide,
14 including spraying and dusting, upon the land of the grower or
15 landowner, or furnishes any work or labor upon the land of the
16 grower or landowner including tilling, preparing for the growing
17 of crops, sowing, planting, cultivating, cutting, digging,
18 picking, pulling, or otherwise harvesting any crop grown thereon,
19 or in gathering, securing, or housing any crop grown thereon, or
20 in threshing any grain or hauling to any warehouse any crop,
21 including grain, grown thereon.

22 ~~((+7))~~ (11) "Lien debtor" means the person who is obligated or
23 owes payment or other performance. If the lien debtor and the owner
24 of the property encumbered by the crop lien or security interest
25 are not the same person, "lien debtor" means the owner of the
26 property encumbered by the crop lien or security interest.

27 ~~((+8))~~ (12) "Lien holder" means a person who, by statute, has
28 acquired a lien on the property of the lien debtor, or such
29 person's successor in interest.

30 **Sec. 2.** RCW 60.11.020 and 2000 c 250 s 9A-825 are each amended to
31 read as follows:

32 (1) A landlord whose lease or other agreement with the tenant
33 provides for cash rental payment shall have a lien upon all crops
34 grown upon the demised land in which the landlord has an interest
35 for payment of no more than one year's rent, where the last or
36 only payment of such one year's rent is due or will become due
37 within six months following the last day of harvest of the crops

1 encumbered by the crop lien. A landlord with a crop share agreement
2 has an interest in the growing crop which shall not be encumbered
3 by crop liens except as provided in subsections (2) and (3) of
4 this section.

5 (2) A supplier shall have a lien upon all crops for which the
6 supplies are used or applied for payment of the purchase price of
7 the supplies and/or services performed: PROVIDED, That the
8 landlord's interest in the crop shall only be subject to the lien
9 for the amount obligated to be paid by the landlord if prior
10 written consent of the landlord is obtained or if the landlord has
11 agreed in writing with the tenant to pay or be responsible for a
12 portion of the supplies and/or services provided by the lien
13 holder.

14 (3) A handler shall have a lien on all orchard crops delivered
15 by the lien debtor or another handler to the handler and on all
16 proceeds of the orchard crops for payment of: (a) All customary
17 charges for the ordinary and necessary handling of the orchard
18 crop, including but not limited to charges for transporting,
19 receiving, inspecting, materials and supplies furnished, washing,
20 waxing, sorting, packing, storing, promoting, marketing, selling,
21 advertising, insuring, or otherwise handling the lien debtor's
22 orchard crop; and (b) reasonable cooperative per unit retainages,
23 and for all governmental or quasi-governmental assessments imposed
24 by statute, ordinance, or government regulation. Charges shall not
25 include direct or indirect advances or extensions of credit to a
26 lien debtor.

27 (4) A tenant farmer or landowner who is a bailee shall have a
28 lien, called a producer's lien, upon all agricultural products
29 grown, raised, or produced by the bailee under an agricultural
30 bailment contract and on all proceeds of the agricultural products
31 for the payment of the amount of compensation agreed to in the
32 contract for the services performed by the bailee under the
33 contract.

34 **Sec. 3.** RCW 60.11.030 and 2000 c 250 s 9A-826 are each amended to
35 read as follows:

36 (1) Upon the later of both: (a) Execution of the lease or other
37 agreement, or commencement of delivery of such supplies, and/or of

1 provision of such services giving rise to the crop lien; and (b)
2 filing a financing statement as required by RCW 62A.9A-310 and
3 subsection (3) of this section, the crop liens described in RCW
4 60.11.020 (1) and (2) shall become effective and attach to the
5 subject crop for all sums then and thereafter due and owing the
6 lien holder under this chapter, and those liens shall continue in
7 all identifiable cash proceeds of the crop.

8 (2) Upon the delivery of an orchard crop by the lien debtor or
9 another handler to a handler without the necessity of filing, the
10 crop lien described in RCW 60.11.020(3) shall become effective and
11 attach to and be perfected in the delivered orchard crop for all
12 sums then and thereafter due and owing the lien holder under this
13 chapter, and the lien shall continue and be perfected in all
14 proceeds of the orchard crop. Upon filing a financing statement as
15 required by RCW 62A.9A-310 and subsection (3) of this section, an
16 effective crop lien described in RCW 60.11.020(3) that has
17 attached to the delivered orchard crop shall be perfected.

18 (3) Except as provided in RCW 60.11.040(4) with respect to the
19 lien of a landlord, and except for the lien of a handler on
20 orchard crops as provided in RCW 60.11.020(3) and the producer's
21 lien as provided in RCW 60.11.020(4), the lien holder must file
22 the required financing statement during the period after the
23 commencement of delivery of such supplies and/or of provision of
24 such services, but before the completion of the harvest of the
25 crops for which the lien is claimed, or in the case of a lien for
26 furnishing work or labor, before the end of the fortieth day after
27 the cessation of the work or labor for which the lien is claimed.
28 If the lien holder under the crop liens described in RCW 60.11.020
29 (1) or (2) is to be allowed costs, disbursements, and attorneys'
30 fees, the lien holder must also mail a copy of such financing
31 statement to the last known address of the debtor by certified
32 mail, return receipt requested, within ten days after filing the
33 financing statement.

34 (4) Upon the delivery of agricultural seed or stock or
35 livestock by a bailor to a bailee and without necessity of filing,
36 the producer's lien described in RCW 60.11.020(4) shall become
37 effective and attach to and be perfected in the seed, cuttings,
38 stock, or similar materials or livestock and in any resulting

1 agricultural products produced under the agricultural bailment
2 contract for all sums then and thereafter due and owing the bailee
3 as lien holder under this chapter, and the lien shall continue and
4 be perfected in all proceeds of the seed, cuttings, stock, or
5 similar materials or livestock or any resulting agricultural
6 products produced under the agricultural bailment contract.

7 **Sec. 4.** RCW 60.11.050 and 2000 c 250 s 9A-828 are each amended to
8 read as follows:

9 (1) Except as provided in subsections (2), (3), (4), ~~((and))~~
10 (5), and (6) of this section, conflicting liens and security
11 interests in crops and their proceeds shall rank in accordance
12 with the time of filing.

13 (2) The lien created in RCW 60.11.020(2) in favor of any person
14 who furnishes any work or labor upon the land of the grower or
15 landowner shall be preferred and prior to any other lien or
16 security interest upon the crops to which they attach including
17 the liens described in subsections (3), (4), ~~((and))~~ (5), and (6)
18 of this section.

19 (3) The producer's lien created in RCW 60.11.020(4) in favor of
20 a bailee is preferred and prior to a lien or security interest
21 described in subsection (4), (5), or (6) of this section and to
22 any other lien or security interest upon the agricultural products
23 to which they attach except the liens in favor of a person who
24 furnishes work or labor upon the land of the grower or landlord.

25 (4) The lien created in RCW 60.11.020(3) in favor of handlers
26 is preferred and prior to a lien or security interest described in
27 subsection ~~((4) or))~~ (5) or (6) of this section and to any other
28 lien or security interest upon the orchard crops to which they
29 attach except the liens in favor of a person who furnishes work or
30 labor upon the land of the grower or landlord. Whenever more than
31 one handler holds a handler's lien created by RCW 60.11.020(3) in
32 the same orchard crop, unless the affected parties otherwise agree
33 in writing, the later of the liens to attach has priority over all
34 previously attached handlers' liens created by RCW 60.11.020(3).

35 ~~((4))~~ (5) A lien or security interest in crops otherwise
36 entitled to priority pursuant to subsection (1) of this section
37 shall be subordinate to a later perfected lien or security

1 interest incurred to produce the crop to the extent that
2 obligations secured by such earlier perfected security interest or
3 lien were not incurred to produce such crops.

4 ~~((5))~~ (6) A lien or security interest in crops otherwise
5 entitled to priority pursuant to subsection (1) of this section
6 shall be subordinate to a properly perfected landlord's lien.

7 **Sec. 5.** RCW 60.11.130 and 2000 c 250 s 9A-833 are each amended to
8 read as follows:

9 Judicial foreclosure or summary procedure as provided in RCW
10 60.11.060 shall be brought within twenty-four calendar months
11 after filing the financing statement for the lien, except: (1) In
12 the case of a landlord lien which shall be twenty-four calendar
13 months from the date of default on the lease(~~(, and))~~); (2) in the
14 case of a handler's lien on a given orchard crop which shall be
15 twenty-four calendar months from the date of default on payment of
16 the charges described in RCW 60.11.020(3) attributable to that
17 orchard crop; and (3) in the case of a producer's lien on a given
18 agricultural product which shall be twenty-four calendar months
19 from the date of default on payment of the charges described in
20 RCW 60.11.020(4) attributable to that product. Upon expiration of
21 such time, the claimed lien shall expire.

22 **Sec. 6.** RCW 62A.9A-310 and 2000 c 250 s 9A-310 are each amended to
23 read as follows:

24 (a) **General rule: Perfection by filing.** Except as otherwise
25 provided in subsections (b) and (d) of this section and RCW
26 62A.9A-312(b), a financing statement must be filed to perfect all
27 security interests and agricultural liens.

28 (b) **Exceptions: Filing not necessary.** The filing of a financing
29 statement is not necessary to perfect a security interest:

30 (1) That is perfected under RCW 62A.9A-308 (d), (e), (f), or
31 (g);

32 (2) That is perfected under RCW 62A.9A-309 when it attaches;

33 (3) In property subject to a statute, regulation, or treaty
34 described in RCW 62A.9A-311(a);

35 (4) In goods in possession of a bailee which is perfected under
36 RCW 62A.9A-312(d) (1) or (2);

1 (5) In certificated securities, documents, goods, or
2 instruments which is perfected without filing or possession under
3 RCW 62A.9A-312 (e), (f), or (g);

4 (6) In collateral in the secured party's possession under RCW
5 62A.9A-313;

6 (7) In a certificated security which is perfected by delivery
7 of the security certificate to the secured party under RCW
8 62A.9A-313;

9 (8) In deposit accounts, electronic chattel paper, investment
10 property, or letter-of-credit rights which is perfected by control
11 under RCW 62A.9A-314;

12 (9) In proceeds which is perfected under RCW 62A.9A-315; or

13 (10) That is perfected under RCW 62A.9A-316.

14 (c) **Assignment of perfected security interest.** If a secured
15 party assigns a perfected security interest or agricultural lien,
16 a filing under this Article is not required to continue the
17 perfected status of the security interest against creditors of and
18 transferees from the original debtor.

19 (d) **Further exception: Filing not necessary for handler's lien.**

20 The filing of a financing statement is not necessary to perfect
21 the agricultural lien of a handler on orchard crops as provided in
22 RCW 60.11.020(3) or to perfect a producer's lien as provided in
23 RCW 60.11.020(4).

24 **Sec. 7.** RCW 15.48.290 and 1967 c 114 s 16 are each amended to read
25 as follows:

26 All payments of money required by the terms of a seed bailment
27 contract to be made by a bailor to a bailee shall be subject to
28 ~~((security interests perfected as required by chapter 62A.9 RCW,~~
29 ~~as amended, and all))~~ agricultural liens provided for and
30 perfected in accordance with Title 60 RCW.

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