

2 **SSB 5628 - H COMM AMD ADOPTED 4-10-91**

3 By Committee on Agriculture & Rural Development

4

5 Strike everything after the enacting clause and insert the  
6 following:

7 "Sec. 1. RCW 60.11.010 and 1986 c 242 s 1 are each amended to read  
8 as follows:

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

11 (1) "Crop" means all products of the soil either growing or  
12 cropped, cut, or gathered which require annual planting, harvesting, or  
13 cultivating. A crop does not include vegetation produced by the powers  
14 of nature alone, nursery stock, or vegetation intended as a permanent  
15 enhancement of the land itself.

16 (2) "Handler" means a person: Who prepares an orchard crop for  
17 market for the account of, or as agent for, the producer of the crop,  
18 which preparation includes, but is not limited to, receiving, storing,  
19 packing, marketing, selling, or delivering the orchard crop; and who  
20 takes delivery of the crop from the producer of the crop or from  
21 another handler. "Handler" does not include a person who solely  
22 transports the crop from the producer to another person.

23 (3) "Landlord" means a person who leases or subleases to a tenant  
24 real property upon which crops are growing or will be grown.

25 ((+3)) (4) "Orchard crop" means cherries, peaches, nectarines,  
26 plums or prunes, pears, apricots, and apples.

27 (5) "Secured party" and "security interest" have the same meaning  
28 as used in the Uniform Commercial Code, Title 62A RCW.

1       (~~(4)~~) (6) "Supplier" includes, but is not limited to, a person  
2 who furnishes seed, furnishes and/or applies commercial fertilizer,  
3 pesticide, fungicide, weed killer, or herbicide, including spraying and  
4 dusting, upon the land of the grower or landowner, or furnishes any  
5 work or labor upon the land of the grower or landowner including  
6 tilling, preparing for the growing of crops, sowing, planting,  
7 cultivating, cutting, digging, picking, pulling, or otherwise  
8 harvesting any crop grown thereon, or in gathering, securing, or  
9 housing any crop grown thereon, or in threshing any grain or hauling to  
10 any warehouse any crop or grain grown thereon.

11       (~~(5)~~) (7) "Lien debtor" means the person who is obligated or owes  
12 payment or other performance. If the lien debtor and the owner of the  
13 collateral are not the same person, "lien debtor" means the owner of  
14 the collateral.

15       (~~(6)~~) (8) "Lien holder" means a person who, by statute, has  
16 acquired a lien on the property of the lien debtor, or such person's  
17 successor in interest."

18       **"Sec. 2.** RCW 60.11.020 and 1986 c 242 s 2 are each amended to read  
19 as follows:

20       (1) A landlord whose lease or other agreement with the tenant  
21 provides for cash rental payment shall have a lien upon all crops grown  
22 upon the demised land in which the landlord has an interest for no more  
23 than one year's rent due or to become due within six months following  
24 harvest. A landlord with a crop share agreement has an interest in the  
25 growing crop which shall not be encumbered by crop liens except as  
26 provided in subsections (2) and (3) of this section.

27       (2) A supplier shall have a lien upon all crops for which the  
28 supplies are used or applied to secure payment of the purchase price of  
29 the supplies and/or services performed: PROVIDED, That the landlord's

1 interest in the crop shall only be subject to the lien for the amount  
2 obligated to be paid by the landlord if prior written consent of the  
3 landlord is obtained or if the landlord has agreed in writing with the  
4 tenant to pay or be responsible for a portion of the supplies and/or  
5 services provided by the lien holder.

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

18 **"Sec. 3.** RCW 60.11.030 and 1986 c 242 s 3 are each amended to read  
19 as follows:

20 (1) Upon filing, the liens described in RCW 60.11.020 (1) and (2)  
21 shall attach to the crop for all sums then and thereafter due and owing  
22 the lien holder and shall continue in all identifiable cash proceeds of  
23 the crop.

24 (2) Upon the delivery of an orchard crop by the lien debtor,  
25 without the necessity of filing, the lien for charges as set forth in  
26 RCW 60.11.020(3) shall attach to the delivered crop and shall continue  
27 in both the crop and all proceeds of the crop."

1       **"Sec. 4.** RCW 60.11.040 and 1989 c 229 s 1 are each amended to read  
2 as follows:

3       (1) Except as provided in subsection (4) of this section with  
4 respect to the lien of a landlord, and except for the lien of a handler  
5 as provided in RCW 60.11.020(3), any lien holder must after the  
6 commencement of delivery of such supplies and/or of provision of such  
7 services, but before the completion of the harvest of the crops for  
8 which the lien is claimed, or in the case of a lien for furnishing work  
9 or labor within twenty days after the cessation of the work or labor  
10 for which the lien is claimed: (a) File a statement evidencing the  
11 lien with the department of licensing; and (b) if the lien holder is to  
12 be allowed costs, disbursements, and attorneys' fees, mail a copy of  
13 such statement to the last known address of the debtor by certified  
14 mail, return receipt requested, within ten days.

15       (2) The statement shall be in writing, signed by the claimant, and  
16 shall contain in substance the following information:

17       (a) The name and address of the claimant;

18       (b) The name and address of the debtor;

19       (c) The date of commencement of performance for which the lien is  
20 claimed;

21       (d) A description of the labor services, materials, or supplies  
22 furnished;

23       (e) A description of the crop and its location to be charged with  
24 the lien sufficient for identification; and

25       (f) The signature of the claimant.

26       (3) The department of licensing may by rule prescribe standard  
27 filing forms, fees, and uniform procedures for filing with, and  
28 obtaining information from, filing officers, including provisions for  
29 filing crop liens together with financing statements filed pursuant to

1 RCW 62A.9-401 so that one request will reveal all filed crop liens and  
2 security interests.

3 (4) Any landlord claiming a lien under this chapter for rent shall  
4 file a statement evidencing the lien with the department of licensing.  
5 A lien for rent claimed by a landlord pursuant to this chapter shall be  
6 effective during the term of the lease for a period of up to five  
7 years. A landlord lien covering a lease term longer than five years  
8 may be refiled in accordance with RCW 60.11.050(~~(+4)~~) (5). A landlord  
9 who has a right to a share of the crop may place suppliers on notice by  
10 filing evidence of such interest in the same manner as provided for  
11 filing a landlord's lien."

12 "Sec. 5. RCW 60.11.050 and 1986 c 242 s 5 are each amended to read  
13 as follows:

14 (1) Except as provided in subsections (2), (3), ~~((and))~~ (4), and  
15 (5) of this section, conflicting liens and security interests shall  
16 rank in accordance with the time of filing.

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

22 (3) The lien created in RCW 60.11.020(3) in favor of handlers is  
23 preferred and prior to a lien or security interest described in  
24 subsection (4) or (5) of this section and to any other lien or security  
25 interest upon the crops to which they attach except the liens in favor  
26 of a person who furnishes work or labor upon the land of the grower or  
27 landlord. Whenever more than one handler holds a handler's lien  
28 created by RCW 60.11.020(3) in the same crop, unless the affected

1 parties otherwise agree in writing, the later of the liens to attach  
2 has priority over all previously attached handlers' liens.

3 (4) A lien or security interest in crops otherwise entitled to  
4 priority pursuant to subsection (1) of this section shall be  
5 subordinate to a later filed lien or security interest incurred to  
6 produce the crop to the extent that obligations secured by such earlier  
7 filed security interest or lien were not incurred to produce such  
8 crops.

9 ((+4)) (5) A lien or security interest in crops otherwise entitled  
10 to priority pursuant to subsection (1) of this section shall be  
11 subordinate to a properly filed landlord's lien. A landlord's lien  
12 shall retain its priority if refiled within six months prior to its  
13 expiration."

14 "Sec. 6. RCW 60.11.140 and 1986 c 242 s 14 are each amended to  
15 read as follows:

16 (1) Whenever the total amount of the lien has been fully paid, the  
17 lien holder filing a lien shall, within fifteen days following receipt  
18 of full payment, file its lien termination statement with the  
19 department of licensing. Failure to file a lien termination statement  
20 by the lien holder or the assignee of the lien holder shall cause the  
21 lien holder or its assignee to be liable to the debtor for the  
22 attorneys' fees and costs incurred by the debtor to have the lien  
23 terminated together with damages incurred by the debtor due to the  
24 failure of the lien holder to terminate the lien.

25 (2) There shall be no charge by the department of licensing for  
26 entering the lien termination statement and indexing the same and  
27 returning a copy of the lien termination statement stamped as "filed"  
28 with the filing date thereon.

1 (3) The department of licensing may enter the lien termination  
2 statement on microfilm or other photographic record and destroy all  
3 originals of the lien and lien satisfaction filed with him or her."

4 "Sec. 7. RCW 62A.9-310 and 1986 c 242 s 16 are each amended to  
5 read as follows:

6 (1) When a person in the ordinary course of his business furnishes  
7 services or materials with respect to goods subject to a security  
8 interest, a lien upon goods in the possession of such person given by  
9 statute or rule of law for such materials or services takes priority  
10 over a perfected security interest only if the lien is statutory and  
11 the statute expressly provides for such priority.

12 (2) A preparer lien or processor lien properly created pursuant to  
13 chapter 60.13 RCW or a depositor's lien created pursuant to chapter  
14 22.09 RCW takes priority over any perfected or unperfected security  
15 interest.

16 (3) Conflicting priorities between (~~nonpossessory~~) crop liens  
17 created under chapter 60.11 RCW and security interests shall be  
18 governed by chapter 60.11 RCW."

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20 By Committee on Agriculture & Rural Development

21  
22 On page 1, line 1 of the title, after "handlers;" strike the  
23 remainder of the title and insert "and amending RCW 60.11.010,  
24 60.11.020, 60.11.030, 60.11.040, 60.11.050, 60.11.140, and 62A.9-310."