

HOUSE BILL REPORT

ESSB 5841

*As Reported By House Committee on:
Agriculture & Rural Development*

Title: An act relating to clarifying existing crop lien coverage and filing procedures.

Brief Description: Clarifying existing crop lien coverage and filing procedures.

Sponsor(s): Senate Committee on Agriculture & Water Resources (originally sponsored by Senators Hansen and Barr).

Brief History:

Reported by House Committee on:
Agriculture & Rural Development, April 4, 1991, DP.

**HOUSE COMMITTEE ON
AGRICULTURE & RURAL DEVELOPMENT**

Majority Report: *Do pass.* Signed by 10 members: Representatives Rayburn, Chair; Kremen, Vice Chair; Nealey, Ranking Minority Member; P. Johnson, Assistant Ranking Minority Member; Chandler; Grant; R. Johnson; McLean; Rasmussen; and Roland.

Staff: Kenneth Hirst (786-7105).

Background: Crop liens are used to secure payment for supplies or services performed regarding a crop and to secure a cash rental payment for the landlord of the land on which a crop is grown. With certain limited exceptions, a landlord's crop share interest in a crop cannot be encumbered by a crop lien.

A landlord claiming a crop lien for rental payments must file a claim with the Department of Licensing. The lien is effective during the term of the lease for a period of up to five years. It may be extended by refileing the lien within six months before it would otherwise expire.

In general, the priority of one crop lien or security interest over another is determined by the time they were filed, with an earlier filed lien having priority over one filed later. The exceptions to this rule are as follows: (1) a labor lien is superior to any other lien or security interest in a crop; (2) a properly filed landlord's lien is

superior to all other liens or security interests; and (3) an earlier filed lien or security interest is subordinate to a later filed lien or interest to the extent that the earlier lien or interest was not incurred to produce the crop.

Summary of Bill: A landlord's crop lien is now superior to another crop lien or security interest in a crop only if the landlord's lien was filed before the other lien or interest or before the completion of the harvest of the crop for which it is claimed. The sums to which crop liens attach are clarified.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: (1) Only a landlord does not have a deadline for filing a lien. This provides no notice to others, particularly if the landlord files the lien after a lien search has been conducted but before the crop is actually sold. (2) The amounts payable to which the crop liens attach should be clarified.

Testimony Against: None.

Witnesses: Bruce Lee, Washington Agribusiness Coalition (pro).