

SENATE BILL REPORT

SB 5841

**AS REPORTED BY COMMITTEE ON AGRICULTURE & WATER RESOURCES,
MARCH 5, 1991**

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

SPONSORS: Senators Hansen and Barr.

SENATE COMMITTEE ON AGRICULTURE & WATER RESOURCES

Majority Report: That Substitute Senate Bill No. 5841 be substituted therefor, and the substitute bill do pass.

Signed by Senators Barr, Chairman; Anderson, Vice Chairman; Bailey, Conner, Gaspard, Hansen, and Newhouse.

Staff: John Stuhlmiller (786-7446)

Hearing Dates: March 5, 1991

BACKGROUND:

Concern has been expressed regarding the extent of the coverage of a crop lien filed by providers of supplies and services. Current language suggests that the lien only applies to the specific services or supplies provided to the grower for which the lien was filed.

Landlord crop liens may currently be filed at any time, while other crop liens have limited time periods under which they must be filed.

SUMMARY:

Crop liens are modified to clearly indicate that for supplies and services provided, the lien attaches to the proceeds of the crop for all amounts due at the time of the lien filing and for any future advances of supplies or services.

Landlords are required to file crop liens within 30 days of the beginning of the lease term signed with a tenant.

EFFECT OF PROPOSED SUBSTITUTE:

Technical changes are made to clarify that the crop lien attaches to the crop and future extension of services.

Also, technical changes are made to clarify that the landlord's lien takes priority over other security interests if it is filed prior to those other interests or within 30 days of the commencement of the lease.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This bill clarifies that the original lien filed also attaches to supplies or services provided later. All other liens have filing time periods except landlords. Theoretically under current law, landlords could file several years into a lease period and then go back for money to the buyers of farm crops.

TESTIMONY AGAINST: None

TESTIFIED: Bruce Lee, Agri Business Coalition (pro)