
SUBSTITUTE SENATE BILL 6416

State of Washington

52nd Legislature

1992 Regular Session

By Senate Committee on Agriculture & Water Resources (originally sponsored by Senators Barr, Newhouse and Gaspard)

Read first time 02/07/92.

1 AN ACT Relating to producer liens; amending RCW 60.13.010 and 62A-
2 9.310; and adding a new section to chapter 60.13 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 60.13 RCW
5 to read as follows:

6 A consignment of agricultural products by a producer to a handler
7 for sale for the use and benefit of the producer does not vest in the
8 handler any other title or right to the products except to sell and
9 deliver them to a bona fide purchaser for valuable consideration.

10 If, without the express consent of the producer a handler
11 mortgages, pledges, deposits, or otherwise disposes of agricultural
12 products consigned only for sale for the use and benefit of the
13 producer, the disposition is void and title to the products does not
14 pass but remains in the producer as if no disposition were made. Legal

1 title to and interest of the producer in the consigned agricultural
2 products and proceeds thereof shall be considered prior in right to any
3 interest of a third party in such goods or proceeds acquired after the
4 delivery of the products to the handler. Such products and/or proceeds
5 shall not be subject to the claims of the handler's creditors.

6 Nothing in this section impairs any right of any lien which a
7 handler acquires or is entitled to for bona fide advances made in money
8 or goods to the producer on the faith and the security of the
9 consignment.

10 **Sec. 2.** RCW 60.13.010 and 1991 c 174 s 2 are each amended to read
11 as follows:

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

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

24 (2) "Conditioner," "consignor," "person," and "producer" have the
25 meanings defined in RCW 20.01.010.

26 (3) "Delivers" means that a producer completes the performance of
27 all contractual obligations with reference to the transfer of actual or
28 constructive possession or control of an agricultural product to a

1 processor or conditioner or preparer, regardless of whether the
2 processor or conditioner or preparer takes physical possession.

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

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

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

15 (7) "Fish" means food fish or shellfish or steelhead legally caught
16 pursuant to executive order, treaty right, or federal statute.

17 (8) "Handler" means a person, firm, company, or other organization
18 that prepares an agricultural product for market for the account of, or
19 as agent for, the producer of the agricultural product, the preparation
20 including, but not limited to, receiving, storing, packing, marketing,
21 selling, or delivering the agricultural product, and includes a person,
22 firm, company, or other organization who takes delivery of the
23 agricultural product from the producer of the agricultural product or
24 from another handler. "Handler" does not include a person who solely
25 transports the agricultural product from the producer to another
26 person.

27 **Sec. 3.** RCW 62A.9-310 and 1991 c 286 s 7 are each amended to read
28 as follows:

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

7 (2) A preparer lien or processor lien properly created pursuant to
8 chapter 60.13 RCW, a producer's interest recognized pursuant to section
9 1 of this act, or a depositor's lien created pursuant to chapter 22.09
10 RCW takes priority over any perfected or unperfected security interest.

11 (3) Conflicting priorities between crop liens created under chapter
12 60.11 RCW and security interests shall be governed by chapter 60.11
13 RCW.