

Agriculture: Koenigs, Chair: Hughes and Van Maanen.

SENATE FILE

538

BY COMMITTEE ON AGRICULTURE

Approved 3/22 (p. 955)

MAR 29 1985

Passed Senate, Date 4-8-85 (p. 1238)

Passed House, Date 4-16-85 (p. 1614)

Vote: Ayes 46 Nays 0

Vote: Ayes 92 Nays 2

Approved May 28, 1985
Motion to reconsider w/d 4/17

A BILL FOR

- 1 An Act relating to an agricultural supply dealer's lien.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

S-3538

SENATE FILE 538

- 1 Amend Senate File 538 as follows:
- 2 1. Page 1, line 14, by striking the word "two"
- 3 and inserting the words "two four".

S-3538 Filed March 27, 1985

By A. MILLER

Adopted 4/8/85 (p. 1238)

SENATE FILE 538

H-3860

- 1 Amend Senate File 538 as amended and passed by the
- 2 Senate as follows:
- 3 1. Page 3, by striking line 31 and inserting the
- 4 following: "statement shall request from the
- 5 secretary of state or any other source a".
- 6 2. Page 3, line 32, by striking the word
- 7 "certificate" and inserting the following:
- 8 "certificate statement".

H-3860 FILED APRIL 17, 1985

BY KOENIGS of Mitchell

c/o

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1 Section 1. Section 570A.1, Code 1985, is amended by adding
2 the following new subsection 11 and renumbering the subsequent
3 subsections:

4 NEW SUBSECTION. 11. "Livestock" means cattle, sheep,
5 swine, poultry, or other animals or fowl.

6 Sec. 2. Section 570A.2, subsection 1, Code 1985, is
7 amended to read as follows:

8 1. Upon the receipt of a certified request of an
9 agricultural supply dealer, prior to or upon a sale on a
10 credit basis of agricultural chemicals, seed, feed, or
11 petroleum products to a farmer, a financial institution which
12 has either a security interest in collateral owned by the
13 farmer or an outstanding loan to the farmer for an
14 agricultural purpose shall issue within two business days a
15 memorandum which states whether or not the farmer has a
16 sufficient net worth or line of credit to assure payment of
17 the purchase price on the terms of the sale. The certified
18 request submitted by the agricultural supply dealer shall
19 state the amount of the purchase and the terms of sale, and
20 shall be accompanied by a waiver of confidentiality signed by
21 the farmer, and a fifteen dollar fee. The waiver of
22 confidentiality and the certified request may be combined and
23 submitted as one document. If the financial institution
24 states in its memorandum that the farmer has a sufficient net
25 worth or line of credit to assure payment of the purchase
26 price, the memorandum is an irrevocable and unconditional
27 letter of credit to the benefit of the agricultural supply
28 dealer for a period of thirty days following the date on which
29 the final payment is due for the amount of the purchase price
30 which remains unpaid. If the financial institution does not
31 state in its memorandum that the farmer has a sufficient net
32 worth or line of credit to assure payment of the purchase
33 price, the financial institution shall transmit the relevant
34 financial history which it holds on the person. This
35 financial history shall remain confidential between the

1 financial institution, the agricultural supply dealer, and the
2 farmer.

3 Sec. 3. Section 570A.3, subsection 1, Code 1985, is
4 amended to read as follows:

5 i. An agricultural supply dealer furnishing an
6 agricultural chemical, seed, or a petroleum product to a
7 farmer has a lien for the retail cost of the agricultural
8 chemical, seed, or petroleum product, including labor
9 furnished. The lien attaches to all crops which are produced
10 upon the land to which the agricultural chemical was applied
11 ~~within sixteen months following the last date on which the~~
12 ~~agricultural chemical was applied~~, or produced from seed
13 furnished, or produced using the petroleum product furnished,
14 for a period of sixteen months following the date of
15 perfection of the lien pursuant to section 570A.4. However,
16 the lien does not attach to that portion of the crops of a
17 farmer who has paid all amounts due from the farmer for the
18 retail cost, including labor, of the agricultural chemical,
19 seed, or petroleum product provided.

20 Sec. 4. Section 570A.4, subsections 1 and 5, Code 1985,
21 are amended to read as follows:

22 i. In order to perfect the lien created by section 570A.3,
23 the agricultural supply dealer entitled to the lien shall file
24 a verified lien statement with the office of the secretary of
25 state. The lien statement ~~must be filed either within thirty-~~
26 ~~one days after the first date on which payment is due from the~~
27 ~~farmer, or for an agricultural chemical, seed, or feed on or~~
28 ~~before September 1 of the current crop year and for a~~
29 ~~petroleum product on or before December 1 of the current crop~~
30 ~~year, whichever is earlier, except that lien statements~~
31 ~~related to feed may be filed at the time the agricultural~~
32 ~~chemical, seed, feed, or petroleum product is purchased or~~
33 ~~delivered but not later than thirty-one days after the first~~
34 ~~date on which payment is due under the terms of payment agreed~~
35 ~~to by the farmer and the agricultural supply dealer.~~ The lien

1 statement shall disclose all of the following:

2 a. The name and address of the agricultural supply dealer
3 claiming the lien.

4 b. An itemized declaration of the nature and retail cost
5 of the agricultural chemical, seed, feed, or petroleum product
6 which was-furnished has been or may be furnished pursuant to
7 the certified request or the combined certified request and
8 waiver of confidentiality.

9 c. The last date on through which the agricultural supply
10 dealer claiming the lien ~~furnished-the-agricultural-chemical;~~
11 ~~seed;-feed;-or-petroleum-product-for-which-the-lien-is-claimed~~
12 has agreed to furnish agricultural chemicals, seed, feed, or
13 petroleum products as stated in the certified request or the
14 combined certified request and waiver of confidentiality.

15 d. The first date on which payment was due, according to
16 the terms of payment, from the farmer for whom the
17 agricultural chemical, seed, feed, or petroleum product was
18 furnished or may be furnished pursuant to the certified
19 request or the combined certified request and waiver of
20 confidentiality.

21 e. The name and address of the farmer for whom the
22 agricultural chemical, seed, feed, or petroleum product was
23 furnished or may be furnished pursuant to the certified
24 request or the combined certified request and waiver of
25 confidentiality.

26 f. ~~The-legal~~ A description of the real property on which
27 the crops to which the lien attaches are growing or are to be
28 grown or the description of the livestock ~~or-animals~~ to which
29 the lien attaches.

30 5. An agricultural supply dealer filing a verified lien
31 statement shall request from the secretary of state a
32 certificate showing any effective financing statement or
33 verified lien statements naming the debtor and the crops or
34 livestock to which the lien attaches. The agricultural supply
35 dealer shall notify by registered or certified mail, return

1 receipt requested, any other creditor who holds a lien or
2 security interest which is subordinate or equal to the
3 agricultural supply dealer's lien.

4 EXPLANATION

5 This bill amends portions of the agricultural supply
6 dealer's lien law, chapter 570A.

7 Section 1 provides a definition for livestock.

8 Section 2 provides that the dealer's certified request for
9 a memorandum from a financial institution may include the
10 farmer's waiver of confidentiality.

11 Section 3 specifies that the sixteen-month period in which
12 the lien attaches to crops produced begins on the date of
13 perfection, rather than the last date an agricultural chemical
14 is applied.

15 Section 4 makes several changes to the method in which the
16 agricultural supply dealer's lien is perfected.

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SSB 264

SSB 264
Agriculture

AGRICULTURE: A. Miller, Chair; Hutchins and Waldstein

*Not
SF 538*

SENATE FILE 538

BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to an agricultural supply dealer's lien.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 570A.1, Code 1985, is amended by adding
2 the following new subsection 11 and renumbering the subsequent
3 subsections:

4 NEW SUBSECTION. 11. "Livestock" means cattle, sheep,
5 swine, poultry or other animals or fowl.

6 Sec. 2. Section 570A.2, subsection 1, Code 1985, is
7 amended to read as follows:

8 1. Upon the receipt of a certified request of an
9 agricultural supply dealer, prior to or upon a sale on a
10 credit basis of agricultural chemicals, seed, feed, or
11 petroleum products to a farmer, a financial institution which
12 has either a security interest in collateral owned by the
13 farmer or an outstanding loan to the farmer for an
14 agricultural purpose shall issue within two business days a
15 memorandum which states whether or not the farmer has a
16 sufficient net worth or line of credit to assure payment of
17 the purchase price on the terms of the sale. The certified
18 request submitted by the agricultural supply dealer shall
19 state the amount of the purchase and the terms of sale, and be
20 accompanied by a waiver of confidentiality signed by the
21 farmer, and a fifteen dollar fee. The waiver of
22 confidentiality may be included in the certified request. If
23 the financial institution states in its memorandum that the
24 farmer has a sufficient net worth or line of credit to assure
25 payment of the purchase price, the memorandum is an
26 irrevocable and unconditional letter of credit to the benefit
27 of the agricultural supply dealer for a period of thirty days
28 following the date on which the final payment is due for the
29 amount of the purchase price which remains unpaid. If the
30 financial institution does not state in its memorandum that
31 the farmer has a sufficient net worth or line of credit to
32 assure payment of the purchase price, the financial
33 institution shall transmit the relevant financial history
34 which it holds on the person. This financial history shall
35 remain confidential between the financial institution, the

1 agricultural supply dealer, and the farmer.

2 Sec. 3. Section 570A.4, subsections 1 and 5, Code 1985,
3 are amended to read as follows:

4 1. In order to perfect the lien created by section 570A.3,
5 the agricultural supply dealer entitled to the lien shall file
6 a verified lien statement with the office of the secretary of
7 state. ~~The lien statement must be filed either within thirty-~~
8 ~~one days after the first date on which payment is due from the~~
9 ~~farmer, or for an agricultural chemical, seed, or feed on or~~
10 ~~before September 1 of the current crop year and for a~~
11 ~~petroleum product on or before December 1 of the current crop~~
12 ~~year, whichever is earlier, except that lien statements~~
13 ~~related to feed~~ may be filed at the time the agricultural
14 chemical, seed, feed, or petroleum product is purchased or
15 delivered but not later than thirty-one days after the first
16 date on which payment is due under the terms of a repayment
17 schedule agreed to by the farmer and the agricultural supply
18 dealer. The lien statement shall disclose all of the
19 following:

20 a. The name and address of the agricultural supply dealer
21 claiming the lien.

22 b. An itemized declaration of the nature and retail cost
23 of the agricultural chemical, seed, feed, or petroleum product
24 which was furnished has been or may be furnished pursuant to
25 the certified request.

26 c. The last date on through which the agricultural supply
27 dealer claiming the lien ~~furnished the agricultural chemical,~~
28 ~~seed, feed, or petroleum product for which the lien is claimed~~
29 has agreed to furnish agricultural chemicals, seed, feed, or
30 petroleum products as stated in the dealer's certified request
31 or the combined certified request and waiver of
32 confidentiality.

33 d. The first date on which payment was due, according to
34 the terms of the repayment schedule, from the farmer for whom
35 the agricultural chemical, seed, feed, or petroleum product

S.F. _____ H.F. _____

1 was furnished or may be furnished pursuant to the certified
2 request.

3 e. The name and address of the farmer for whom the
4 agricultural chemical, seed, feed, or petroleum product was
5 furnished.

6 ~~The legal~~ A description of the real property on which
7 the crops to which the lien attaches are growing or are to be
8 grown or the description of the livestock ~~or animals~~ to which
9 the lien attaches.

10 5. An agricultural supply dealer filing a verified lien
11 statement shall request from the secretary of state a
12 certificate showing any effective financing statement or
13 verified lien statements naming the debtor and the crops or
14 livestock to which the lien attaches. The agricultural supply
15 dealer shall notify by registered or certified mail, return
16 receipt requested, any other creditor who holds a lien or
17 security interest which is subordinate or equal to the
18 agricultural supply dealer's lien.

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EXPLANATION

20 This bill amends portions of the agricultural supply
21 dealer's lien law, chapter 570A.

22 Section 1 provides a definition for livestock.

23 Section 2 provides that the dealer's certified request for
24 a memorandum from a financial institution may include the
25 farmer's waiver of confidentiality.

26 Section 3 makes several changes to the method in which the
27 agricultural supply dealer's lien is perfected.

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SENATE FILE 538

AN ACT

RELATING TO AN AGRICULTURAL SUPPLY DEALER'S LIEN.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 570A.1, Code 1985, is amended by adding the following new subsection 11 and renumbering the subsequent subsections:

NEW SUBSECTION. 11. "livestock" means cattle, sheep, swine, poultry, or other animals or fowl.

Sec. 2. Section 570A.2, subsection 1, Code 1985, is amended to read as follows:

1. Upon the receipt of a certified request of an agricultural supply dealer, prior to or upon a sale on a credit basis of agricultural chemicals, seed, feed, or petroleum products to a farmer, a financial institution which has either a security interest in collateral owned by the farmer or an outstanding loan to the farmer for an agricultural purpose shall issue within ~~two~~ four business days a memorandum which states whether or not the farmer has a sufficient net worth or line of credit to assure payment of the purchase price on the terms of the sale. The certified request submitted by the agricultural supply dealer shall state the amount of the purchase and the terms of sale and ~~shall~~ be accompanied by a waiver of confidentiality signed by the farmer, and a fifteen dollar fee. ~~The waiver of confidentiality and the certified request may be combined and submitted as one document.~~ If the financial institution states in its memorandum that the farmer has a sufficient net worth or line of credit to assure payment of the purchase price, the memorandum is an irrevocable and unconditional letter of credit to the benefit of the agricultural supply dealer for a period of thirty days following the date on which the final payment is due for the amount of the purchase price

which remains unpaid. If the financial institution does not state in its memorandum that the farmer has a sufficient net worth or line of credit to assure payment of the purchase price, the financial institution shall transmit the relevant financial history which it holds on the person. This financial history shall remain confidential between the financial institution, the agricultural supply dealer, and the farmer.

Sec. 3. Section 570A.3, subsection 1, Code 1985, is amended to read as follows:

1. An agricultural supply dealer furnishing an agricultural chemical, seed, or a petroleum product to a farmer has a lien for the retail cost of the agricultural chemical, seed, or petroleum product, including labor furnished. The lien attaches to all crops which are produced upon the land to which the agricultural chemical was applied ~~within sixteen months following the base date on which the agricultural chemical was applied,~~ or produced from seed furnished, or produced using the petroleum product furnished, ~~for a period of sixteen months following the date of perfection of the lien pursuant to section 570A.4.~~ However, the lien does not attach to that portion of the crops of a farmer who has paid all amounts due from the farmer for the retail cost, including labor, of the agricultural chemical, seed, or petroleum product provided.

Sec. 4. Section 570A.4, subsections 1 and 5, Code 1985, are amended to read as follows:

1. In order to perfect the lien created by section 570A.3, the agricultural supply dealer entitled to the lien shall file a verified lien statement with the office of the secretary of state. ~~The lien statement must be filed either within thirty-one days after the first date on which payment is due from the farmer; or for an agricultural chemical, seed, or feed on or before September 1 of the current crop year and for a petroleum product on or before December 1 of the current crop year, whichever is earlier; except that lien statements~~

related-to-feed may be filed at the time the agricultural chemical, seed, feed, or petroleum product is purchased or delivered but not later than thirty-one days after the first date on which payment is due under the terms of payment agreed to by the farmer and the agricultural supply dealer. The lien statement shall disclose all of the following:

- a. The name and address of the agricultural supply dealer claiming the lien.
- b. An itemized declaration of the nature and retail cost of the agricultural chemical, seed, feed, or petroleum product which was furnished has been or may be furnished pursuant to the certified request or the combined certified request and waiver of confidentiality.
- c. The last date on through which the agricultural supply dealer claiming the lien furnished the agricultural chemical, seed, feed, or petroleum product for which the lien is claimed has agreed to furnish agricultural chemicals, seed, feed, or petroleum products as stated in the certified request or the combined certified request and waiver of confidentiality.
- d. The first date on which payment was due, according to the terms of payment, from the farmer for whom the agricultural chemical, seed, feed, or petroleum product was furnished or may be furnished pursuant to the certified request or the combined certified request and waiver of confidentiality.
- e. The name and address of the farmer for whom the agricultural chemical, seed, feed, or petroleum product was furnished or may be furnished pursuant to the certified request or the combined certified request and waiver of confidentiality.
- f. The legal description of the real property on which the crops to which the lien attaches are growing or are to be grown or the description of the livestock or animals to which the lien attaches.
- g. An agricultural supply dealer filing a verified lien statement shall request from the secretary of state a

certificate showing any effective financing statement or verified lien statements naming the debtor and the crops or livestock to which the lien attaches. The agricultural supply dealer shall notify by registered or certified mail, return receipt requested, any other creditor who holds a lien or security interest which is subordinate or equal to the agricultural supply dealer's lien.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 538, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved *May 28*, 1985

TERRY E. BRANSTAD
Governor