

FILED MAR 16 1989

*Sen Agri.
P. House File (2-249)*

SENATE FILE 456
BY COMMITTEE
ON AGRICULTURE

(SUCCESSOR TO SSB 351)

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

A BILL FOR

1 An Act relating to grain held by grain warehouse operators for
2 the payment of charges.

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

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SF 456

1 Section 1. Section 543.1, Code 1989, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 26. "Conditioning charges" means charges
4 made by a warehouse operator for services performed on grain
5 other than storage charges, or receiving and load-out charges
6 on the grain.

7 Sec. 2. Section 543.28, Code 1989, is amended by adding
8 the following new unnumbered paragraph after unnumbered
9 paragraph 5:

10 NEW UNNUMBERED PARAGRAPH. A licensed warehouse operator or
11 a warehouse operator licensed under 7 U.S.C. ch. 10 need not
12 deliver grain or proceeds from the sale of grain to a
13 depositor until the depositor has paid or made provision for
14 payment of charges allowed under this chapter or allowed a
15 warehouse operator licensed pursuant to 7 U.S.C. ch. 10.
16 Grain or proceeds from the sale of grain received by the
17 warehouse operator as payment for storage charges, receiving
18 and load-out charges, conditioning charges, or other charges
19 allowed under this chapter or charges allowed a warehouse
20 operator licensed pursuant to 7 U.S.C. ch. 10, shall be free
21 of all liens or other encumbrances.

22 Sec. 3. Section 554.7209, subsection 1, Code 1989, is
23 amended by adding the following new unnumbered paragraph:

24 NEW UNNUMBERED PARAGRAPH. A warehouse operator licensed
25 under chapter 543 or 7 U.S.C. ch. 10 has a lien against the
26 bailor on the goods deposited in the warehouse whether or not
27 the goods are covered by a warehouse receipt, or on the
28 proceeds from the goods in the warehouse operator's possession
29 for storage charges, receiving and load-out charges,
30 conditioning charges, or other charges provided in chapter 543
31 or charges allowed a warehouse operator licensed under chapter
32 543 or 7 U.S.C. ch. 10 or for charges relating to
33 transportation (including demurrage and terminal charges),
34 insurance, labor, or charges present or future in relation to
35 the goods, and for expenses necessary for preservation of the

1 goods or reasonably incurred in their sale pursuant to law.
2 If the person on whose account the goods are held is liable
3 for like charges or expenses in relation to other goods
4 whenever deposited and it is stated in the receipt that a lien
5 is claimed for charges and expenses in relation to other
6 goods, the warehouse operator also has a lien against that
7 person for such charges and expenses whether or not the other
8 goods have been delivered by the warehouse operator.

9 Sec. 4. Section 554.7209, Code 1989, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. 5. A warehouse operator licensed under
12 chapter 543 or under 7 U.S.C. ch. 10 receiving grain or
13 proceeds from the sale of grain shall take the grain or
14 proceeds free from a lien or security interest regardless of
15 whether it is perfected, to the extent the grain or proceeds
16 are taken for storage charges, receiving and load-out charges,
17 conditioning charges, or other charges allowed under chapter
18 543 or charges allowed a warehouse operator licensed under 7
19 U.S.C. ch. 10.

20 Sec. 5. Section 554.9104, Code 1989, is amended by adding
21 the following new paragraph:

22 NEW PARAGRAPH. m. Grain or the proceeds from the sale of
23 grain received by a warehouse operator licensed under chapter
24 543 or under 7 U.S.C. ch. 10 to the extent the operator holds
25 the grain or proceeds for storage charges, receiving and load-
26 out charges, conditioning charges, or other charges allowed
27 under chapter 543 or charges allowed a warehouse operator
28 licensed under 7 U.S.C. ch. 10.

29 Sec. 6. NEW SECTION. 570.4A LIMITATION ON LIEN OF GRAIN
30 HELD BY A LICENSED GRAIN WAREHOUSE OPERATOR.

31 A warehouse operator licensed under chapter 543 or under 7
32 U.S.C. ch. 10 receiving grain or proceeds from the sale of
33 grain shall take the grain or proceeds free from a lien under
34 this chapter, to the extent the grain or proceeds are taken
35 for storage charges, receiving and load-out charges,

1 conditioning charges, or other charges allowed under chapter
2 543, or charges allowed a warehouse operator licensed under 7
3 U.S.C. ch. 10.

4 Sec. 7. Section 570A.3, Code 1989, is amended by adding
5 the following new subsection:

6 NEW SUBSECTION. 3. A warehouse operator licensed under
7 chapter 543 or under 7 U.S.C. ch. 10 receiving grain or
8 proceeds from the sale of grain shall take the grain or
9 proceeds free from a lien under this chapter, to the extent
10 the grain or proceeds are taken for storage charges, receiving
11 and load-out charges, conditioning charges, or other charges
12 allowed under chapter 543, or charges allowed a warehouse
13 operator licensed under 7 U.S.C. ch. 10.

14 Sec. 8. Section 571.2, Code 1989, is amended by adding the
15 following new unnumbered paragraph:

16 NEW UNNUMBERED PARAGRAPH. A warehouse operator licensed
17 under chapter 543 or under 7 U.S.C. ch. 10 receiving grain or
18 proceeds from the sale of grain shall take the grain or
19 proceeds free from a lien under this chapter, to the extent
20 the grain or proceeds are taken for storage charges, receiving
21 and load-out charges, conditioning charges, or other charges
22 allowed under chapter 543, or charges allowed a warehouse
23 operator licensed under 7 U.S.C. ch. 10.

24 EXPLANATION

25 This bill provides that a warehouse operator licensed under
26 chapter 543 or under 7 U.S.C. ch. 10 need not deliver grain or
27 proceeds to a depositor until the depositor has paid charges
28 allowed under the chapter, including charges relating to
29 conditioning the grain, or charges allowed a warehouse
30 licensed under federal law.

31 The bill also provides that the warehouse operator has a
32 lien against the bailor on the grain whether or not the goods
33 are covered by a warehouse receipt.

34 The bill provides that the operator takes the grain or
35 proceeds from the sale of grain free from a person with a

1 security interest (whether or not perfected), a landlord's
2 lien, an agricultural supply dealer's lien, or a chirotheft or
3 cornsheller's lien.

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HUSAK, CH.
SCOTT
SOORHOLTZ

SSB 351
AGRICULTURE

SENATE FILE 456
BY (PROPOSED COMMITTEE
ON AGRICULTURE BILL)

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