

Agriculture  
Hutchins, Chair  
Van Gilst  
Hester

HOUSE FILE 517

BY COMMITTEE ON AGRICULTURE

MAR 17 1983

(Formerly Study Bill 279)

Place On Calendar

Passed House, Date 4-5-83 (p. 1074) Passed Senate, Date 4-13-83 (p. 1249)  
Vote: Ayes 98 Nays 1 Vote: Ayes 42 Nays 0  
Approved May 3, 1983 (p. 1764)

## A BILL FOR

1 An Act to limit the time for filing an action based upon a  
2 security interest in farm products to two years from the  
3 date of sale of the products.

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

HOUSE FILE 517

H-3518

- 1 Amend amendment H-3460, to House File 517 as
- 2 follows:
- 3 1. Page 1, by inserting after line 1 the following:
- 4 "1. Page 1, by inserting before line 1 the
- 5 following:
- 6 "Section 1. NEW SECTION. AUCTIONEER NONLIABILITY
- 7 FOR SALE OF PERSONAL PROPERTY SUBJECT TO A SECURITY
- 8 INTEREST. An auctioneer who sells personal property
- 9 subject to a security interest is not liable to the
- 10 secured party for damages arising from the sale, if
- 11 all of the following conditions apply:
- 12 1. The auctioneer acted in good faith.
- 13 2. The auctioneer did not know of the existence
- 14 of the security interest.
- 15 3. The auctioneer disclosed the name of the owner
- 16 of the property as known to the auctioneer at the
- 17 time of the auction.
- 18 4. The auctioneer had no interest in the property
- 19 and acted only as an agent of the owner to facilitate
- 20 a sale."
- 21 2. By renumbering sections as required by this
- 22 amendment.

HF 517

H-3518 FILED APRIL 5, 1983  
*Ruled not germane 4/5/83 (p. 1073)*

BY GRANDIA of Marion  
ROYER of Page

1 Section 1. Section 614.1, subsection 4, Code 1983, is  
2 amended to read as follows:

3 4. UNWRITTEN CONTRACTS--INJURIES TO PROPERTY--FRAUD--OTHER  
4 ACTIONS. Those founded on unwritten contracts, those brought  
5 for injuries to property, or for relief on the ground of fraud  
6 in cases heretofore solely cognizable in a court of chancery,  
7 and all other actions not otherwise provided for in this  
8 respect, within five years, except as provided by ~~subsection~~  
9 8 subsections 8 and 10.

10 Sec. 2. Section 614.1, Code 1983, is amended by adding  
11 the following new subsection:

12 NEW SUBSECTION. 10. SECURED INTEREST IN FARM PRODUCTS.  
13 Those founded on a secured interest in farm products, within  
14 two years from the date of sale of the farm products against  
15 the secured interest of the creditor.

16 EXPLANATION

17 This bill provides that the time for filing an action based  
18 upon a secured interest in farm products shall run two years  
19 from the date of sale of the farm products against the secured  
20 interests of the creditor.

21 This bill takes effect July 1 following enactment.

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H-3460

Amend House File 517 as follows:

1. Page 1, by inserting after line 15 the following:

"Sec. \_\_\_\_ Section 554.9402, subsection 1, Code 1983, is amended to read as follows:

1. A financing statement is sufficient if it gives the names of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor, gives the social security number of the debtor if the debtor is a natural person and the internal revenue service tax identification number if the debtor is not a natural person, and contains a statement indicating the types, or describing the items, of collateral. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to section 554.9103, subsection 5, or when the financing statement is filed as a fixture filing (section 554.9313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection 5. A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this state.

Sec. \_\_\_\_ Section 570.1, Code 1983, is amended to read as follows:

570.1 LIEN CREATED--PROPERTY SUBJECTED. A landlord shall have has a lien for his the rent upon all crops grown upon the leased premises, and upon any other personal property of the tenant which has been used or kept thereon on the leased premises during the term and which is not exempt from execution. A landlord claiming a lien under this section shall file an itemized and verified statement of the rent claimed due. The statement shall be filed in the office of the secretary of state and shall be filed within ten days after the time the rent is due and unpaid. The secretary of state shall note the filing of the verified statement and shall index the filing

H-3460  
Page Two

1 under the name of the tenant.  
2 Sec. \_\_\_\_ Section 571.3, Code 1983, is amended  
3 to read as follows:  
4 571.3 PRESERVATION OF LIEN. In order to preserve  
5 said the lien the person entitled thereto to the lien  
6 must, within ten days from the completion of the work  
7 for which the lien is claimed, file in the office  
8 of the ~~clerk of the district court of the county in~~  
9 ~~which said services were rendered~~ secretary of state  
10 an itemized and verified statement setting forth the  
11 services rendered, the number of bushels of grain  
12 threshed or corn shelled, the value of said the  
13 services, and the name of the person for whom said  
14 the services were rendered and the place where said  
15 the services were rendered; and the ~~clerk of the~~  
16 ~~district court~~ secretary of state shall note the  
17 filing of said the verified statement in a book kept  
18 ~~by him for that purpose~~ and index the same filing  
19 under the name of the person for whom said the service  
20 was performed.  
21 2. Title page, by striking lines 1 through 3 and  
22 inserting in lieu thereof the following: "An Act  
23 regarding the filing of liens and security interest  
24 on farm products."  
25 3. Renumber as necessary.

BY KOENIGS of Mitchell  
PELLETT of Cass  
SULLIVAN of Van Buren  
HARBOR of Mills

H-3460 FILED MARCH 30, 1983  
*Filed with German 4/5/83 (p. 1074)*

HOUSE FILE 517

H-3505

1 Amend House amendment H-3460, to House File 517  
2 as follows:  
3 1. Page 2, by striking lines 23 and 24 and  
4 inserting in lieu thereof the words "relating to the  
5 information required in a statement filed to secure  
6 an interest in farm products and requiring certain  
7 statements to be filed in the office of the secretary  
8 of state, and limiting the time for filing an action  
9 based upon a security interest in farm products."

BY HARBOR of Mills  
SULLIVAN of Van Buren  
KOENIGS of Mitchell

H-3505 FILED MARCH 31, 1983  
*Adopted 4/5/83 (p. 1074)*

HOUSE FILE 517

FISCAL NOTE

REQUESTED BY REPRESENTATIVE PELLETT

In compliance with a written request received March 31, 1983, there is hereby submitted a Fiscal Note for House File 517 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

House File 517 provides that the time for filing an action based upon a secured interest in farm products shall run two years from the date of sale of the farm products against the secured interests of the creditor.

Amendment H-3460 requires a financing statement to contain either the social security or IRS tax identification number of the debtor. The amendment also requires those claiming either landlords or cornsheller thresherman liens to file with the secretary of state an itemized and verified statement detailing the claimed debt. This statement must be filed within ten days after the time the rent is due and unpaid and is indexed under the name of the tenant.

It is expected that the addition of two additional types of liens, along with indexing by social security/tax identification number, will require substantial modification to the secretary of state's computer system. This modification is estimated to require a one time expenditure of approximately \$20,000 in FY '84.

(1572H, 83-464, JMN)

SOURCE: SECRETARY OF STATE  
FILED APRIL 5, 1983

BY DENNIS PROUTY, FISCAL DIRECTOR

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NEW SUBSECTION. 10. SECURED INTEREST IN FARM PRODUCTS.  
Those founded on a secured interest in farm products, within  
two years from the date of sale of the farm products against  
the secured interest of the creditor.

HOUSE FILE 517

AN ACT

TO LIMIT THE TIME FOR FILING AN ACTION BASED UPON A SECURITY  
INTEREST IN FARM PRODUCTS TO TWO YEARS FROM THE DATE OF  
SALE OF THE PRODUCTS.

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

Section 1. Section 614.1, subsection 4, Code 1983, is  
amended to read as follows:

4. UNWRITTEN CONTRACTS--INJURIES TO PROPERTY--FRAUD--OTHER  
ACTIONS. Those founded on unwritten contracts, those brought  
for injuries to property, or for relief on the ground of fraud  
in cases heretofore solely cognizable in a court of chancery,  
and all other actions not otherwise provided for in this  
respect, within five years, except as provided by ~~subsection~~  
8 subsections 8 and 10.

Sec. 2. Section 614.1, Code 1983, is amended by adding  
the following new subsection:

.....  
DONALD D. AVENSON  
Speaker of the House

.....  
ROBERT T. ANDERSON  
President of the Senate

I hereby certify that this bill originated in the House and  
is known as House File 517, Seventieth General Assembly.

.....  
JOSEPH O'HERN  
Chief Clerk of the House

Approved May 3 1983

.....  
TERRY E. BRANSTAD  
Governor

H.F. 517