

29 - Amend from 50817  
to Pass 2/6/84 (216)

Reprint 2/17/84

**FILED** MAR 21 1983

SENATE FILE 510

BY COMMITTEE ON AGRICULTURE  
*Approved 3/13 (p. 883)*  
(FORMERLY SSB 225)

Passed Senate, Date 2-15-84 (p. 435) Passed House, Date \_\_\_\_\_  
Vote: Ayes 46 Nays 2 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to liens against crops and livestock to  
2 secure payment for fertilizer, feed, seed, petroleum  
3 product, and agricultural chemical used in the  
4 production of growing crops and livestock and providing  
5 for the perfection and enforcement of these liens,  
6 and providing for statutory damages.

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

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S.F. 510

1 Section 1. NEW SECTION. 570A.1 DEFINITIONS. As used  
2 in this chapter, unless the context otherwise requires:

3 1. "Agricultural chemical" means fertilizers or agricul-  
4 tural chemicals which are applied to crops or land which is  
5 used for the raising of crops, including but not limited to  
6 fertilizer as defined in section 200.3, and pesticide as de-  
7 fined in section 206.2.

8 2. "Feed" means commercial feeds, feed ingredients, mineral  
9 feeds, drugs, animal health products, or customer-formula  
10 feeds which are used for the feeding of livestock, including  
11 but not limited to feed as defined in section 198.3.

12 3. "Petroleum product" means motor fuels and special fuels  
13 which are used in the production of crops and livestock,  
14 including but not limited to motor fuel as defined in section  
15 324.2.

16 4. "Seed" means agricultural seeds which are used in the  
17 production of crops, including but not limited to agricultural  
18 seed as defined in section 199.1.

19 5. "Labor" means labor performed in the application,  
20 delivery, or preparation of a product defined in subsections  
21 1 through 4.

22 6. "Person" means an individual, partnership, corporation,  
23 company, cooperative, society, or association.

24 Sec. 2. NEW SECTION. 570A.2 LIEN CREATED.

25 1. A person furnishing an agricultural chemical, seed,  
26 or a petroleum product has a lien for the retail cost of the  
27 agricultural chemical, seed, or petroleum product, including  
28 labor furnished. The lien attaches to all crops which are  
29 produced upon the land to which the agricultural chemical  
30 was applied within sixteen months following the last date  
31 on which the agricultural chemical was applied, or produced  
32 from seed furnished, or produced using the petroleum product  
33 furnished. However, the lien does not attach to that portion  
34 of the crops of a person who has paid all amounts due from  
35 the person for the retail cost, including labor, of the agri-

1 cultural chemical, seed, or petroleum product provided.

2 2. A person furnishing feed has a lien for the retail  
3 cost of the feed, including labor. The lien attaches to all  
4 livestock consuming the feed. However, the lien does not  
5 attach to that portion of the livestock of a person who has  
6 paid all amounts due from the person for the retail cost,  
7 including labor, of the feed.

8 Sec. 3. NEW SECTION. 570A.3 PERFECTION OF LIEN.

9 1. In order to perfect the lien created by section 570A.2,  
10 the person entitled to the lien shall file a verified lien  
11 statement with the office of the secretary of state. The  
12 lien statement must be filed within thirty-one days after  
13 the first date on which payment is due from the person for  
14 whom the agricultural chemical, seed, feed, or petroleum  
15 product was furnished, or September 1 of the current crop  
16 year, whichever is earlier, except that lien statements related  
17 to feed may be filed at the time the feed is purchased or  
18 delivered. The lien statement shall disclose all of the fol-  
19 lowing:

20 a. The name and address of the person claiming the lien.

21 b. An itemized declaration of the nature and retail cost  
22 of the agricultural chemical, seed, feed, or petroleum product  
23 which was furnished.

24 c. The last date on which the person claiming the lien  
25 furnished the agricultural chemical, seed, feed, or petroleum  
26 product for which the lien is claimed.

27 d. The first date on which payment was due from the person  
28 for whom the agricultural chemical, seed, feed, or petroleum  
29 product was furnished.

30 e. The name, address, and social security number of the  
31 person for whom the agricultural chemical, seed, feed, or  
32 petroleum product was furnished.

33 f. The legal description of the real property on which  
34 the crops to which the lien attaches are growing or are to  
35 be grown or the description of the livestock or animals to

1 which the lien attaches.

2 2. The secretary of state shall enter on the lien state-  
3 ment the time of day and date of filing.

4 3. If a person fails to file the lien statement within  
5 the time required by subsection 1, the lien and all benefits  
6 under this chapter are forfeited.

7 4. The secretary of state shall note the filing of a lien  
8 statement under this section in the manner provided by chapter  
9 554, the uniform commercial code.

10 Sec. 4. NEW SECTION. 570A.4 PRIORITY OF LIEN.

11 1. A lien perfected under this chapter is superior to  
12 an earlier perfected lien or security interest and to a lien  
13 or security interest which attaches subsequent to the time  
14 the lien statement is filed with the secretary of state,  
15 except liens which arise under chapters 570 and 571.

16 2. A lien perfected under this chapter for the purposes  
17 of feed will continue to be perfected in the livestock and  
18 takes priority over an earlier perfected lien or security  
19 interest to the extent of the difference between the  
20 acquisition price of the livestock and the fair market value  
21 of the livestock at the time the lien attaches or the sale  
22 price of the livestock, whichever is greater.

23 3. Liens perfected under this chapter have priority over  
24 each other in the order in which the lien statements are filed  
25 with the secretary of state.

26 Sec. 5. NEW SECTION. 570A.5 ENFORCEMENT OF LIEN.

27 1. The holder of a lien perfected under this chapter may  
28 enforce the lien in the manner provided in chapter 554, article  
29 9, part 5, for the enforcement of security interests. For  
30 purposes of enforcement of the lien, the lienholder is deemed  
31 to be the secured party, and the person for whom the agricul-  
32 tural chemical, seed, feed, or petroleum product was furnished  
33 is deemed to be the debtor, and each has the respective rights  
34 and duties of a secured party and a debtor as provided in  
35 chapter 554, article 9, part 5. Where a right or duty under

1 chapter 554, article 9, part 5 is contingent upon the existence  
2 of express language in a security agreement, or may be waived  
3 by express language in a security agreement, the requisite  
4 language is deemed not to exist for purposes of enforcement  
5 of the lien created by this chapter.

6 Sec. 6. NEW SECTION. 570A.6 ENFORCEMENT ACTIONS. An  
7 action to enforce a lien arising under this chapter may be  
8 commenced in the district court after the lien is perfected.  
9 The action may be brought in any county in which some part  
10 of the crop and livestock or animals is located. The action  
11 shall be by equitable proceedings, and no other cause of  
12 action shall be joined with it. A lien statement may be  
13 amended by leave of the court in furtherance of justice,  
14 except as to the amount demanded. An action to enforce a  
15 lien under this chapter may be brought within one year after  
16 the date the lien statement is filed and not afterward.

17 Sec. 7. NEW SECTION. 570A.7 DEMAND FOR BRINGING SUIT.

18 1. A person who has an interest in crops or livestock  
19 to which a lien has attached under this chapter may serve  
20 upon the lienholder a written demand that the lienholder  
21 commence an action to enforce the lien within thirty days  
22 after the date of service. The written demand shall be served  
23 in the same manner provided for service of an original notice.  
24 If the lienholder fails to commence an action within thirty  
25 days after being served with the written demand, the lien  
26 and all benefits of the lien are extinguished.

27 2. Return of service of the written demand specified in  
28 subsection 1 shall be filed with the secretary of state.

29 Sec. 8. NEW SECTION. 570A.8 ASSIGNMENT OF LIEN. A lien  
30 which has been perfected under this chapter is assignable,  
31 and follows the assignment of the debt for which it is claimed.

32 Sec. 9. NEW SECTION. 570A.9 ACKNOWLEDGEMENT OF SATISFAC-  
33 TION. When a lien under this chapter is satisfied by payment  
34 of the claim, the lienholder shall acknowledge the satisfac-  
35 tion of the claim in writing to the secretary of state. If

1 the lienholder failed to file an acknowledgement of  
2 satisfaction with the secretary of state within thirty days  
3 after written demand by a person having an interest in the  
4 crop or livestock, the lienholder is liable to the person  
5 for a penalty of twenty-five dollars, plus actual damages  
6 incurred as a result of the failure, plus attorney fees and  
7 court costs.

8 Sec. 10. NEW SECTION. 570A.10 RIGHTS AND REMEDIES.

9 The rights and remedies provided for in this chapter are in  
10 addition to and not in lieu of the rights and remedies pro-  
11 vided for in chapter 572.

12 EXPLANATION

13 This bill creates a lien against all crops grown on real  
14 property within sixteen months after fertilizer or other agri-  
15 cultural chemicals are applied to the real property, or  
16 produced from seeds provided, or produced using petroleum  
17 product furnished, to secure payment of the retail cost of  
18 the fertilizer, agricultural chemical, seed, or petroleum  
19 product that was furnished.

20 This bill also creates a lien against all livestock  
21 consuming feed, to secure payment of the retail cost of the  
22 feed that was furnished.

23 The lienholder perfects the lien by filing a lien statement  
24 with the secretary of state within thirty-one days after the  
25 first date upon which payment was due, or September 1 of the  
26 current crop year, whichever is earlier, for the furnishing  
27 of the fertilizer, agricultural chemical, seed, or petroleum  
28 product. The lienholder may perfect the lien by filing a  
29 lien statement with the secretary of state at the time of  
30 order or delivery of feed. The lien statement discloses the  
31 claimant, the amount claimed and the goods or services  
32 supplied, the person for whom supplied, and a legal description  
33 of the land or livestock.

34 If perfected by filing, a lien arising under the bill takes  
35 preference over other liens and security agreements either

1 prior or subsequent to the time the lien statement is filed,  
2 except for liens arising under chapters 570 and 571. The  
3 lien perfected by this bill for feed provided will continue  
4 to be perfected in the livestock. As between several persons  
5 who hold liens which arise under the bill, they have priority  
6 in the order of filing.

7 The bill provides that the lien will be enforceable in  
8 the same manner as security interests under chapter 554,  
9 article 9, part 5.

10 The bill provides for the mechanics of recording of lien  
11 statements and the procedures for actions to enforce the newly  
12 created liens. The bill also permits assignment of the lien.

13 The bill requires the lienholder to file acknowledgement  
14 of satisfaction of the debt, and a lienholder can be held  
15 liable for a twenty-five dollar penalty, actual damages, and  
16 attorney fees if the lienholder fails to file the  
17 acknowledgement.

18 The bill takes effect July 1 following its enactment.

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SENATE 3  
APRIL 8, 1983

SENATE FILE 510  
FISCAL NOTE

REQUESTED BY SENATOR GENTLEMAN

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 510 pursuant to Joint Rule 17.

Senate File 510 is an Act relating to liens against crops and live stock to secure payment for inputs used in the production of growing crops and livestock. It provides for the perfection and enforcement of these liens and provides for statutory damages.

The lien created would be perfected by filing a lien statement with the Secretary of State. It would be handled by the Uniform Commercial Code Division of the Secretary of State's office.

The additional work load would require additional staff and modification of the computer system. The cost is estimated to be:

	<u>FY 1984</u>	<u>FY 1985</u>
Salaries	\$ 26,670	27,736
Computer modification	15,000	0
Total Cost	\$ <u>41,670</u>	<u>27,736</u>

(1226S, 83-469, AHS)

Amendment S-3400 to Senate File 510 would establish a uniform fee for the service of issuing a certificate showing if there is on file a presently effective financing statement or lien.

This provision would produce an estimated \$80,000 revenue to the General Fund. The effect of Senate File 510, as amended by S-3400 would be:

	<u>FY 1984</u>	<u>FY 1985</u>
Fees to General Fund	\$ 80,000	80,000
Salaries	(26,670)	(27,736)
Computer modifications	(15,000)	0
	\$ <u>39,330</u>	<u>52,264</u>

FISCAL EFFECT: The fiscal effect of Amendment S-3400 is \$80,000 revenue to the General Fund from fees.

(1226.X01, 83-47D, AHS)

SOURCE: SECRETARY OF STATE

FILED:  
APRIL 7, 1983

BY LEGISLATIVE FISCAL BUREAU  
DENNIS C. PROUTY, DIRECTOR

SENATE FILE 510

S-3400

1 Amend Senate File 510 as follows:

2 1. Page 3, line 9, by inserting after the word  
3 "code" the words ", and shall charge a four dollar  
4 filing fee".

5 2. Page 3, by inserting after line 9 the following:

6 "5. A verified lien statement is effective for  
7 a period of five years from date of filing. The  
8 effectiveness of a filed statement lapses on the  
9 expiration of the five-year period. Unless a statute  
10 on the disposition of public records provides  
11 otherwise, the secretary of state may remove a lapsed  
12 statement from the files and destroy it immediately  
13 if the officer has retained a microfilm or other  
14 photographic record."

15 3. Page 3, by striking lines 10 through 25 and  
16 inserting in lieu thereof the following:

17 "Sec. 4. NEW SECTION. 570A.4 PRIORITY OF LIEN.

18 1. A lien perfected under this chapter is superior  
19 to a lien or security interest which attaches  
20 subsequent to the time the lien statement is filed  
21 with the secretary of state, except liens which arise  
22 under chapters 570 and 571.

23 2. A lien perfected under this chapter is equal  
24 to a lien or security interest which is of record  
25 or which is perfected prior to the time the lien  
26 statement is filed with the secretary of state.

27 3. A lien perfected under this chapter for the  
28 purposes of feed will continue to be perfected in  
29 the livestock and takes priority over an earlier  
30 perfected lien or security interest to the extent  
31 of the difference between the acquisition price of  
32 the livestock and the fair market value of the  
33 livestock at the time the lien attaches or the sale  
34 price of the livestock, whichever is greater."

35 4. Page 4, by inserting after line 28 the following:

36 "3. The lienholder shall file with the secretary  
37 of state a file stamp copy of the petition to enforce  
38 the lien within thirty days of commencing the action.  
39 Failure to file the copy of the petition will cause  
40 the verified lien statement to lapse."

41 5. Page 5, by inserting after line 11 the  
42 following:

43 "Sec. 11. Section 554.9407, subsection 2, Code  
44 1983, is amended to read as follows:

45 2. Upon request of any person, the filing officer  
46 shall issue a certificate showing whether there is  
47 on file on the date and hour stated therein, any  
48 presently effective financing statement or verified  
49 lien statement naming a particular debtor and any  
50 financing statement changes and if there is, giving

SF 510  
S-3400  
PAGE 2

1 the date and hour of filing of each such filing and  
2 the names and addresses of each secured party therein.  
3 The uniform fee for such a certificate shall be four  
4 dollars if the request for the certificate is on a  
5 form conforming to standards prescribed by the  
6 secretary of state; otherwise, five dollars. Upon  
7 request and the payment of the appropriate fee the  
8 filing officer shall furnish a certified copy of any  
9 filed financing statement or financing statement  
10 changes for a uniform fee of one dollar per page."

S-3400 FILED

MARCH 29, 1983

*Placed out of order 2/15 (p. 425)*

BY ALVIN V. MILLER

EMIL J. HUSAK

RAY TAYLOR

SENATE FILE 510

S-3430

1 Amend Senate File 510 as follows:

2 1. Page 2, line 30, by inserting after the word  
3 "number" the words "or the internal revenue service  
4 tax identification number".

S-3430 FILED

APRIL 5, 1983

*Placed out of order 2/15 (p. 425)*

BY ALVIN MILLER

EMIL HUSAK

RAY TAYLOR

SENATE FILE 510

5-5081

1 Amend Senate File 510 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting in lieu thereof the following:

4 "Section 1. NEW SECTION. 570A.1 DEFINITIONS.

5 As used in this chapter, unless the context otherwise  
6 requires:

7 1. "Agricultural chemical" means a fertilizer  
8 or agricultural chemical which is applied to crops  
9 or land which is used for the raising of crops,  
10 including but not limited to fertilizer as defined  
11 in section 200.3, and pesticide as defined in section  
12 206.2.

13 2. "Feed" means a commercial feed, feed ingredient,  
14 mineral feed, drug, animal health product, or customer-  
15 formula feed which is used for the feeding of  
16 livestock, including but not limited to feed as defined  
17 in section 198.3.

18 3. "Petroleum product" means a motor fuel or  
19 special fuel which is used in the production of crops  
20 and livestock, including but not limited to motor  
21 fuel as defined in section 324.2.

22 4. "Seed" means agricultural seeds which are used  
23 in the production of crops, including but not limited  
24 to agricultural seed as defined in section 199.1.

25 5. "Labor" means labor performed in the  
26 application, delivery, or preparation of a product  
27 defined in subsections 1 through 4.

28 6. "Person" means an individual, partnership,  
29 corporation, company, cooperative, society, or  
30 association.

31 Sec. 2. NEW SECTION. 570A.2 LIEN CREATED.

32 1. A person furnishing an agricultural chemical,  
33 seed, or a petroleum product has a lien for the retail  
34 cost of the agricultural chemical, seed, or petroleum  
35 product, including labor furnished. The lien attaches  
36 to all crops which are produced upon the land to which  
37 the agricultural chemical was applied within sixteen  
38 months following the last date on which the  
39 agricultural chemical was applied, or produced from  
40 seed furnished, or produced using the petroleum product  
41 furnished. However, the lien does not attach to that  
42 portion of the crops of a person who has paid all  
43 amounts due from the person for the retail cost,  
44 including labor, of the agricultural chemical, seed,  
45 or petroleum product provided.

46 2. A person furnishing feed has a lien for the  
47 unpaid amount of the retail cost of the feed, including  
48 labor. The lien attaches to all livestock consuming  
49 the feed. However, the lien does not attach to that  
50 portion of the livestock of a person who has paid

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1 all amounts due from the person for the retail cost,  
2 including labor, of the feed.

3 Sec. 3. NEW SECTION. 570A.3 PERFECTION OF LIEN.

4 1. In order to perfect the lien created by section  
5 570A.2, the person entitled to the lien shall file  
6 a verified lien statement with the office of the  
7 secretary of state. The lien statement must be filed  
8 within thirty-one days after the first date on which  
9 payment is due from the person for whom the  
10 agricultural chemical, seed, feed, or petroleum product  
11 was furnished, or September 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 feed  
14 is purchased or delivered. The lien statement shall  
15 disclose all of the following:

16 a. The name and address of the person claiming  
17 the lien.

18 b. An itemized declaration of the nature and  
19 retail cost of the agricultural chemical, seed, feed,  
20 or petroleum product which was furnished.

21 c. The last date on which the person claiming  
22 the lien furnished the agricultural chemical, seed,  
23 feed, or petroleum product for which the lien is  
24 claimed.

25 d. The first date on which payment was due from  
26 the person for whom the agricultural chemical, seed,  
27 feed, or petroleum product was furnished.

28 e. The name, address, and social security number  
29 or the internal revenue service tax identification  
30 number of the person for whom the agricultural  
31 chemical, seed, feed, or petroleum product was  
32 furnished.

33 f. The legal description of the real property  
34 on which the crops to which the lien attaches are  
35 growing or are to be grown or the description of the  
36 livestock or animals to which the lien attaches.

37 2. The secretary of state shall enter on the lien  
38 statement the time of day and date of filing.

39 3. If a person fails to file the lien statement  
40 within the time required by subsection 1, the lien  
41 and all benefits under this chapter are forfeited.

42 4. The secretary of state shall note the filing  
43 of a lien statement under this section in the manner  
44 provided by chapter 554, the uniform commercial code,  
45 and shall charge a four dollar filing fee if the  
46 statement is the standard form prescribed by the  
47 secretary of state, and otherwise a fee of five  
48 dollars.

49 5. A person filing a verified lien statement shall  
50 request from the secretary of state a certificate

1 showing any effective financing statement or verified  
2 lien statements naming the debtor and the crops or  
3 livestock to which the lien attaches. The person  
4 shall notify by registered mail any other creditor  
5 who holds a lien or security interest which is  
6 subordinate or equal to the person's lien.

7 Sec. 4. NEW SECTION. 570A.4 PRIORITY OF LIEN.

8 1. A lien perfected under this chapter is superior  
9 to a lien or security interest which attaches  
10 subsequent to the time the lien statement is filed  
11 with the secretary of state, except liens which arise  
12 under this chapter or under chapters 570 and 571.

13 2. A lien perfected under this chapter is equal  
14 to a lien or security interest which is of record  
15 or which is perfected prior to the time the lien  
16 statement is filed with the secretary of state.

17 3. A lien perfected under this chapter for the  
18 purposes of feed will continue to be perfected in  
19 the livestock and takes priority over an earlier  
20 perfected lien or security interest to the extent  
21 of the difference between the acquisition price of  
22 the livestock and the fair market value of the  
23 livestock at the time the lien attaches or the sale  
24 price of the livestock, whichever is greater.

25 Sec. 5. NEW SECTION. 570A.5 ENFORCEMENT OF LIEN.

26 1. The holder of a lien perfected under this  
27 chapter may enforce the lien in the manner provided  
28 in chapter 554, article 9, part 5, for the enforcement  
29 of security interests. For purposes of enforcement  
30 of the lien, the lienholder is deemed to be the secured  
31 party, and the person for whom the agricultural  
32 chemical, seed, feed, or petroleum product was  
33 furnished is deemed to be the debtor, and each has  
34 the respective rights and duties of a secured party  
35 and a debtor as provided in chapter 554, article 9,  
36 part 5. Where a right or duty under chapter 554,  
37 article 9, part 5 is contingent upon the existence  
38 of express language in a security agreement, or may  
39 be waived by express language in a security agreement,  
40 the requisite language is deemed not to exist for  
41 purposes of enforcement of the lien created by this  
42 chapter.

43 Sec. 6. NEW SECTION. 570A.6 ENFORCEMENT ACTIONS.

44 An action to enforce a lien arising under this chapter  
45 may be commenced in the district court after the lien  
46 is perfected. The action may be brought in any county  
47 in which some part of the crop and livestock or animals  
48 is located. The action shall be by equitable  
49 proceedings, and no other cause of action shall be  
50 joined with it. A lien statement may be amended by

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1 leave of the court in furtherance of justice, except  
2 as to the amount demanded. An action to enforce a  
3 lien under this chapter may be brought within one  
4 year after the date the lien statement is filed and  
5 not afterward.

6 Sec. 7. NEW SECTION. 570A.7 DEMAND FOR BRINGING  
7 SUIT.

8 1. A person who has an interest in crops or  
9 livestock to which a lien has attached under this  
10 chapter may serve upon the lienholder a written demand  
11 that the lienholder commence an action to enforce  
12 the lien within thirty days after the date of service.  
13 The written demand shall be served in the same manner  
14 provided for service of an original notice. If the  
15 lienholder fails to commence an action within thirty  
16 days after being served with the written demand, the  
17 lien and all benefits of the lien are extinguished.

18 2. Return of service of the written demand  
19 specified in subsection 1 shall be filed with the  
20 secretary of state.

21 3. The lienholder shall file with the secretary  
22 of state a file stamped copy of the petition to enforce  
23 the lien within thirty days of commencing the action.  
24 Failure to file the copy of the petition will cause  
25 the verified lien statement to lapse.

26 Sec. 8. NEW SECTION. 570A.8 ASSIGNMENT OF LIEN.  
27 A lien which has been perfected under this chapter  
28 is assignable, and follows the assignment of the debt  
29 for which it is claimed.

30 Sec. 9. NEW SECTION. 570A.9 ACKNOWLEDGEMENT  
31 OF SATISFACTION. When a lien under this chapter is  
32 satisfied by payment of the claim, the lienholder  
33 shall acknowledge the satisfaction of the claim in  
34 writing to the secretary of state. If the lienholder  
35 failed to file an acknowledgement of satisfaction  
36 with the secretary of state within thirty days after  
37 written demand by a person having an interest in the  
38 crop or livestock, the lienholder is liable to the  
39 person for a penalty of twenty-five dollars, plus  
40 actual damages incurred as a result of the failure,  
41 plus attorney fees and court costs.

42 Sec. 10. NEW SECTION. 570A.10 RIGHTS AND  
43 REMEDIES. The rights and remedies provided for in  
44 this chapter are in addition to and not in lieu of  
45 the rights and remedies provided for in chapter 572.

46 Sec. 11. Section 554.9407, subsection 3, Code  
47 Supplement 1983, is amended to read as follows:

48 3. Upon written request of any person, the filing  
49 officer shall issue a certificate showing whether  
50 there is on file on the date and hour stated therein,

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1 any presently effective financing statement or verified  
2 lien statement under chapter 570A naming a particular  
3 debtor and any financing statement or verified lien  
4 statement changes and if there ~~is~~ are, giving the  
5 date and hour of filing of each such filing and the  
6 names and addresses of each secured party therein.  
7 The uniform fee for such a certificate shall be four  
8 dollars if the request for the certificate is on a  
9 form conforming to standards prescribed by the  
10 secretary of state; otherwise, five dollars. Upon  
11 request and the payment of the appropriate fee the  
12 filing officer shall furnish a certified copy of any  
13 filed financing statement or financing statement  
14 changes or verified lien statement or lien statement  
15 changes for a uniform fee of one dollar per page."  
16 2. Title page, by striking lines 1 through 6 and  
17 inserting in lieu thereof the following: "An Act  
18 relating to liens against crops and livestock to  
19 secure payment for agricultural chemicals, seed,  
20 petroleum products, and feed used in the production  
21 of growing crops and livestock and providing for the  
22 perfection, enforcement, assignment, and satisfaction  
of these liens, and providing for statutory damages."

S-5081 FILED  
FEBRUARY 2, 1984

BY COMMITTEE ON AGRICULTURE  
BERL E. PRIEBE, CHAIR

*Placed out of order 2/15 (p. 435)*

SENATE FILE 510

S-3436

1 Amend Senate amendment S-3400 to Senate File 510  
2 as follows:  
3 1. Page 1, line 4, by inserting after the word  
4 "fee" the words "if the statement is the standard  
5 form prescribed by the secretary of state, and  
6 otherwise a fee of five dollars".

S-3436 FILED  
APRIL 6, 1983

*Placed out of order 2/14 (p 435)*

BY ALVIN V. MILLER  
EMIL J. HUSAK  
RAY TAYLOR

SENATE FILE 510

S-3438

1 Amend Senate File 510 as follows:  
2 1. Page 3, by inserting after line 9 the following:  
3 "5. A person filing a verified lien statement  
4 shall request from the secretary of state a certificate  
5 showing any effective financing statement or verified  
6 lien statements naming the debtor and the crops or  
7 livestock to which the lien attaches. The person  
8 shall notify by registered mail any other creditor  
9 who holds a lien or security interest which is  
10 subordinate or equal to the person's lien."

S-3438 FILED  
APRIL 6, 1983

*Placed out of order 2/15 (p 435)*

BY RAY TAYLOR  
ALVIN V. MILLER  
EMIL J. HUSAK

-5122

1 Amend Senate File 510 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting in lieu thereof the following:

4 "Section 1. NEW SECTION. 570A.1 DEFINITIONS.

5 As used in this chapter, unless the context otherwise  
6 requires:

7 1. "Agricultural chemical" means a fertilizer  
8 or agricultural chemical which is applied to crops  
9 or land which is used for the raising of crops,  
10 including but not limited to fertilizer as defined  
11 in section 200.3, and pesticide as defined in section  
12 206.2.

13 2. "Agricultural purpose" means a purpose related  
14 to the production, harvest, marketing, or  
15 transportation of agricultural products by a person  
16 who cultivates, plants, propagates or nurtures the  
17 agricultural products including agricultural,  
18 horticultural, viticultural, and dairy products,  
19 livestock, wildlife, poultry, bees, forest products,  
20 fish and shellfish, and any other products raised  
21 or produced on farms.

22 3. "Agricultural supply dealer" means a person  
23 engaged in the retail sale of agricultural chemicals,  
24 seed, feed, or petroleum products used for an  
25 agricultural purpose.

26 4. "Certified request" means a request delivered  
27 by registered or certified mail, or a request delivered  
28 in person in writing signed and dated by the respective  
29 parties.

30 5. "Farmer" means a person engaged in a business  
31 which has an agricultural purpose.

32 6. "Feed" means a commercial feed, feed ingredient,  
33 mineral feed, drug, animal health product, or customer-  
34 formula feed which is used for the feeding of  
35 livestock, including but not limited to feed as defined  
36 in section 198.3.

37 7. "Financial history" means the record of a  
38 person's current loans, the date of a person's loans,  
39 the amount of the loans, the person's payment record  
40 on the loans, current liens against the person's  
41 property, and the person's most recent financial  
42 statement.

43 8. "Financial institution" means a bank, credit  
44 union, insurance company, mortgage banking company  
45 or savings and loan association, industrial loan  
46 company, production credit association, farmer's home  
47 administration, or like institution which operates  
48 or has a place of business in this state.

49 9. "Labor" means labor performed in the  
50 application, delivery, or preparation of a product

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PAGE 2

1 defined in subsections 1 through 4.

2 10. "Letter of credit" means an engagement by  
3 a financial institution to honor drafts or other  
4 demands for payment.

5 11. "Petroleum product" means a motor fuel or  
6 special fuel which is used in the production of crops  
7 and livestock, including but not limited to motor  
8 fuel as defined in section 324.2.

9 12. "Sale on a credit basis" means a transaction  
10 in which the purchase price is due on a date after  
11 the date of the sale.

12 13. "Seed" means agricultural seeds which are  
13 used in the production of crops, including but not  
14 limited to agricultural seed as defined in section  
15 199.i.

16 Sec. 2. NEW SECTION. 570A.2 FINANCIAL INSTITUTION  
17 MEMORANDUM TO AGRICULTURAL SUPPLY DEALERS.

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

50 2. If within two business days of receipt of a

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PAGE 3

1 certified request a financial institution fails to  
2 issue a memorandum upon the request of an agricultural  
3 supply dealer and the request from the agricultural  
4 supply dealer was proper under subsection 1, or if  
5 the memorandum from the financial institution is  
6 incomplete, or if the memorandum from the financial  
7 institution states that the farmer does not have a  
8 sufficient net worth or line of credit to assure  
9 payment of the purchase price, the agricultural supply  
10 dealer may decide to make the sale and secure the  
11 lien provided in section 570A.3.

12 3. Upon an action to enforce a lien secured under  
13 section 570A.3 against the interest of a financial  
14 institution secured to the same collateral as that  
15 of the lien, it shall be an affirmative defense to  
16 a financial institution and complete proof of the  
17 superior priority of the financial institution's  
18 lien that the financial institution either did not  
19 receive a certified request and a waiver signed by  
20 the farmer, or received the request and a waiver  
21 signed by the farmer and provided the full and complete  
22 relevant financial history which it held on the farmer  
23 making the purchase from the agricultural supply  
24 dealer on which the lien is based and that financial  
25 history reasonably indicated that the farmer did not  
26 have a sufficient net worth or line of credit to  
27 assure payment of the purchase price.

28 Sec. 3. NEW SECTION. 570A.3 LIEN CREATED.

29 1. An agricultural supply dealer furnishing an  
30 agricultural chemical, seed, or a petroleum product  
31 to a farmer has a lien for the retail cost of the  
32 agricultural chemical, seed, or petroleum product,  
33 including labor furnished. The lien attaches to all  
34 crops which are produced upon the land to which the  
35 agricultural chemical was applied within sixteen  
36 months following the last date on which the  
37 agricultural chemical was applied, or produced from  
38 seed furnished, or produced using the petroleum product  
39 furnished. However, the lien does not attach to that  
40 portion of the crops of a farmer who has paid all  
41 amounts due from the farmer for the retail cost,  
42 including labor, of the agricultural chemical, seed,  
43 or petroleum product provided.

44 2. An agricultural supply dealer furnishing feed  
45 to a farmer has a lien for the unpaid amount of the  
46 retail cost of the feed, including labor. The lien  
47 attaches to all livestock consuming the feed. However,  
48 the lien does not attach to that portion of the  
49 livestock of a farmer who has paid all amounts due  
50 from the farmer for the retail cost, including labor,

1 of the feed.

2 Sec. 4. NEW SECTION. 570A.4 PERFECTION OF LIEN.

3 1. In order to perfect the lien created by section  
4 570A.2, the agricultural supply dealer entitled to  
5 the lien shall file a verified lien statement with  
6 the office of the secretary of state. The lien  
7 statement must be filed either within thirty-one days  
8 after the first date on which payment is due from  
9 the farmer, or for an agricultural chemical, seed,  
10 or feed on or before September 1 of the current crop  
11 year and for a petroleum product on or before December  
12 1 of the current crop year, whichever is earlier,  
13 except that lien statements related to feed may be  
14 filed at the time the feed is purchased or delivered.  
15 The lien statement shall disclose all of the fol-  
16 lowing:

17 a. The name and address of the agricultural supply  
18 dealer claiming the lien.

19 b. An itemized declaration of the nature and  
20 retail cost of the agricultural chemical, seed, feed,  
21 or petroleum product which was furnished.

22 c. The last date on which the agricultural supply  
23 dealer claiming the lien furnished the agricultural  
24 chemical, seed, feed, or petroleum product for which  
25 the lien is claimed.

26 d. The first date on which payment was due from  
27 the farmer for whom the agricultural chemical, seed,  
28 feed, or petroleum product was furnished.

29 e. The name, address, and social security number  
30 or the internal revenue service tax identification  
31 number of the farmer for whom the agricultural  
32 chemical, seed, feed, or petroleum product was  
33 furnished.

34 f. The legal description of the real property  
35 on which the crops to which the lien attaches are  
36 growing or are to be grown or the description of the  
37 livestock or animals to which the lien attaches.

38 2. The secretary of state shall enter on the lien  
39 statement the time of day and date of filing.

40 3. If an agricultural supply dealer fails to file  
41 the lien statement within the time required by  
42 subsection 1, the lien and all benefits under this  
43 chapter are forfeited.

44 4. The secretary of state shall note the filing  
45 of a lien statement under this section in the manner  
46 provided by chapter 554, the uniform commercial code,  
47 and shall charge a four dollar filing fee if the  
48 statement is the standard form prescribed by the  
49 secretary of state, and otherwise a fee of five  
50 dollars.

1 5. An agricultural supply dealer filing a verified  
2 lien statement shall request from the secretary of  
3 state a certificate showing any effective financing  
4 statement or verified lien statements naming the  
5 debtor and the crops or livestock to which the lien  
6 attaches. The agricultural supply dealer shall notify  
7 by registered mail any other creditor who holds a  
8 lien or security interest which is subordinate or  
9 equal to the agricultural supply dealer's lien.

10 Sec. 5. NEW SECTION. 570A.5 PRIORITY OF LIEN.

11 1. A lien perfected under this chapter is superior  
12 to a lien or security interest which attaches  
13 subsequent to the time the lien statement is filed  
14 with the secretary of state, except liens which arise  
15 under this chapter or under chapters 570 and 571.

16 2. A lien perfected under this chapter is equal  
17 to a lien or security interest which is of record  
18 or which is perfected prior to the time the lien  
19 statement is filed with the secretary of state.

20 3. A lien perfected under this chapter for the  
21 purposes of feed will continue to be perfected in  
22 the livestock and takes priority over an earlier  
23 perfected lien or security interest to the extent  
24 of the difference between the acquisition price of  
25 the livestock and the fair market value of the  
26 livestock at the time the lien attaches or the sale  
27 price of the livestock, whichever is greater.

28 Sec. 6. NEW SECTION. 570A.6 ENFORCEMENT OF LIEN.

29 1. The holder of a lien perfected under this  
30 chapter may enforce the lien in the manner provided  
31 in chapter 554, article 9, part 5, for the enforcement  
32 of security interests. For purposes of enforcement  
33 of the lien, the lienholder is deemed to be the secured  
34 party, and the farmer for whom the agricultural  
35 chemical, seed, feed, or petroleum product was  
36 furnished is deemed to be the debtor, and each has  
37 the respective rights and duties of a secured party  
38 and a debtor as provided in chapter 554, article 9,  
39 part 5. Where a right or duty under chapter 554,  
40 article 9, part 5 is contingent upon the existence  
41 of express language in a security agreement, or may  
42 be waived by express language in a security agreement,  
43 the requisite language is deemed not to exist for  
44 purposes of enforcement of the lien created by this  
45 chapter.

46 Sec. 7. NEW SECTION. 570A.7 ENFORCEMENT ACTIONS.

47 An action to enforce a lien arising under this chapter  
48 may be commenced in the district court after the lien  
49 is perfected. The action may be brought in any county  
50 in which some part of the crop and livestock or animals

1 is located. The action shall be by equitable  
2 proceedings, and no other cause of action shall be  
3 joined with it. A lien statement may be amended by  
4 leave of the court in furtherance of justice, except  
5 as to the amount demanded. An action to enforce a  
6 lien under this chapter may be brought within one  
7 year after the date the lien statement is filed and  
8 not afterward.

9 Sec. 8. NEW SECTION. 570A.8 DEMAND FOR BRINGING  
10 SUIT.

11 1. A person who has an interest in crops or  
12 livestock to which a lien has attached under this  
13 chapter may serve upon the lienholder a written demand  
14 that the lienholder commence an action to enforce  
15 the lien within thirty days after the date of service.  
16 The written demand shall be served in the same manner  
17 provided for service of an original notice. If the  
18 lienholder fails to commence an action within thirty  
19 days after being served with the written demand, the  
20 lien and all benefits of the lien are extinguished.

21 2. Return of service of the written demand  
22 specified in subsection 1 shall be filed with the  
23 secretary of state.

24 3. The lienholder shall file with the secretary  
25 of state a file stamped copy of the petition to enforce  
26 the lien within thirty days of commencing the action.  
27 Failure to file the copy of the petition will cause  
28 the verified lien statement to lapse.

29 Sec. 9. NEW SECTION. 570A.9 ASSIGNMENT OF LIEN.

30 A lien which has been perfected under this chapter  
31 is assignable, and follows the assignment of the debt  
32 for which it is claimed.

33 Sec. 10. NEW SECTION. 570A.10 ACKNOWLEDGEMENT  
34 OF SATISFACTION. When a lien under this chapter is  
35 satisfied by payment of the claim, the lienholder  
36 shall acknowledge the satisfaction of the claim in  
37 writing to the secretary of state. If the lienholder  
38 failed to file an acknowledgement of satisfaction  
39 with the secretary of state within thirty days after  
40 written demand by a person having an interest in the  
41 crop or livestock, the lienholder is liable to the  
42 person for a penalty of twenty-five dollars, plus  
43 actual damages incurred as a result of the failure,  
44 plus attorney fees and court costs.

45 Sec. 11. NEW SECTION. 570A.11 RIGHTS AND  
46 REMEDIES. The rights and remedies provided for in  
47 this chapter are in addition to and not in lieu of  
48 the rights and remedies provided for in chapter 572.

49 Sec. 12. Section 554.9407, subsection 3, Code  
50 Supplement 1983, is amended to read as follows:

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PAGE 7

1 3. Upon written request of any person, the filing  
2 officer shall issue a certificate showing whether  
3 there is on file on the date and hour stated therein,  
4 any presently effective financing statement or verified  
5 lien statement under chapter 570A naming a particular  
6 debtor and any financing statement or verified lien  
7 statement changes and if there ~~is~~ are, giving the  
8 date and hour of filing of each such filing and the  
9 names and addresses of each secured party therein.  
10 The uniform fee for such a certificate shall be four  
11 dollars if the request for the certificate is on a  
12 form conforming to standards prescribed by the  
13 secretary of state; otherwise, five dollars. Upon  
14 request and the payment of the appropriate fee the  
15 filing officer shall furnish a certified copy of any  
16 filed financing statement or financing statement  
17 changes or verified lien statement or lien statement  
18 changes for a uniform fee of one dollar per page."  
19 2. Title page, by striking lines 1 through 6 and  
20 inserting in lieu thereof the following: "An Act  
21 relating to liens against crops and livestock to  
22 secure payment for agricultural chemicals, seed,  
23 petroleum products, and feed used in the production  
24 of growing crops and livestock and providing for the  
25 perfection, enforcement, assignment, and satisfaction  
26 of these liens, and providing for statutory damages."

S-5122 FILED

FEBRUARY 15, 1984

ADOPTED AS AMENDED *by 5/25, 5/26, 5/27*  
(p. 434)

BY ALVIN MILLER

RAY TAYLOR

EMIL HUSAK

JACK RIFE

C. W. (BILL) HUTCHINS

SENATE FILE 510

S-5125

1 Amend Senate amendment S-5122 to Senate File 510  
2 as follows:  
3 1. Page 4, lines 29 through 31, by striking the  
4 words ", address, and social security number or the  
5 internal revenue service tax identification number"  
6 and inserting in lieu thereof the words "and address".

S-5125 FILED

FEBRUARY 15, 1984

ADOPTED (p. 434)

BY JULIA GENTLEMAN

SENATE 14  
FEBRUARY 16, 1984

SENATE FILE 510

S-5126

1 Amend Senate amendment S-5122 to Senate File 510  
2 as follows:  
3 1. Page 5, line 19, by inserting after the word  
4 "state" the following: "except as provided in section  
5 570A.2, subsection 3".

S-5126 FILED BY DOUGLAS RITSEMA  
FEBRUARY 15, 1984  
ADOPTED (p. 434)

SENATE FILE 510

S-5127

1 Amend Senate amendment S-5122 to Senate File 510  
2 as follows:  
3 1. Page 2, line 1, by striking the word and figures  
4 "1 through 4" and inserting in lieu thereof the word  
5 and figures "1, 6, 11, and 13".

S-5127 FILED & ADOPTED BY ALVIN MILLER  
FEBRUARY 15, 1984 (p. 434)

Agriculture: Koenigs, Chair; Halvorson of Webster and Handorf.

*Do Pass 2/16 (p. 1114)*

SENATE FILE 510  
BY COMMITTEE ON AGRICULTURE

(AS AMENDED AND PASSED BY THE SENATE FEBRUARY 15, 1984)

Passed Senate, Date 2-15-84 (p. 435) Passed House, Date 3-26-84 (p. 1276)

Vote: Ayes 46 Nays 0 Vote: Ayes 94 Nays 3

Approved April 12, 1984 (p. 1493)

## A BILL FOR

1 An Act relating to liens against crops and livestock to  
 2 secure payment for agricultural chemicals, seed, petroleum  
 3 products, and feed used in the production of growing crops  
 4 and livestock and providing for the perfection, enforcement,  
 5 assignment, and satisfaction of these liens, and providing  
 6 for statutory damages.

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

SENATE FILE 510

H-5358

1 Amend Senate File 510 as amended, passed and  
 2 reprinted as follows:  
 3 1. Page 2, line 26, by striking the word "two"  
 4 and inserting in lieu thereof the word "four".

H-5358 FILED MARCH 1, 1984 BY TOFTE of Winneshiek

*7/15 3/26 (p. 1276)*

17  
 18  
 19  
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 21  
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 25

1 Section 1. NEW SECTION. 570A.1 DEFINITIONS. As used  
2 in this chapter, unless the context otherwise requires:

3 1. "Agricultural chemical" means a fertilizer or  
4 agricultural chemical which is applied to crops or land which  
5 is used for the raising of crops, including but not limited  
6 to fertilizer as defined in section 200.3, and pesticide as  
7 defined in section 206.2.

8 2. "Agricultural purpose" means a purpose related to the  
9 production, harvest, marketing, or transportation of  
10 agricultural products by a person who cultivates, plants,  
11 propagates or nurtures the agricultural products including  
12 agricultural, horticultural, viticultural, and dairy products,  
13 livestock, wildlife, poultry, bees, forest products, fish  
14 and shellfish, and any other products raised or produced on  
15 farms.

16 3. "Agricultural supply dealer" means a person engaged  
17 in the retail sale of agricultural chemicals, seed, feed,  
18 or petroleum products used for an agricultural purpose.

19 4. "Certified request" means a request delivered by  
20 registered or certified mail, or a request delivered in person  
21 in writing signed and dated by the respective parties.

22 5. "Farmer" means a person engaged in a business which  
23 has an agricultural purpose.

24 6. "Feed" means a commercial feed, feed ingredient, mineral  
25 feed, drug, animal health product, or customer-formula feed  
26 which is used for the feeding of livestock, including but  
27 not limited to feed as defined in section 198.3.

28 7. "Financial history" means the record of a person's  
29 current loans, the date of a person's loans, the amount of  
30 the loans, the person's payment record on the loans, current  
31 liens against the person's property, and the person's most  
32 recent financial statement.

33 8. "Financial institution" means a bank, credit union,  
34 insurance company, mortgage banking company or savings and  
35 loan association, industrial loan company, production credit

1 association, farmer's home administration, or like institution  
2 which operates or has a place of business in this state.

3 9. "Labor" means labor performed in the application,  
4 delivery, or preparation of a product defined in subsections  
5 1, 6, 11, and 13.

6 10. "Letter of credit" means an engagement by a financial  
7 institution to honor drafts or other demands for payment.

8 11. "Petroleum product" means a motor fuel or special  
9 fuel which is used in the production of crops and livestock,  
10 including but not limited to motor fuel as defined in section  
11 324.2.

12 12. "Sale on a credit basis" means a transaction in which  
13 the purchase price is due on a date after the date of the  
14 sale.

15 13. "Seed" means agricultural seeds which are used in  
16 the production of crops, including but not limited to  
17 agricultural seed as defined in section 199.1.

18 Sec. 2. NEW SECTION. 570A.2 FINANCIAL INSTITUTION  
19 MEMORANDUM TO AGRICULTURAL SUPPLY DEALERS.

20 1. Upon the receipt of a certified request of an  
21 agricultural supply dealer, prior to or upon a sale on a  
22 credit basis of agricultural chemicals, seed, feed, or  
23 petroleum products to a farmer, a financial institution which  
24 has either a security interest in collateral owned by the  
25 farmer or an outstanding loan to the farmer for an agricultural  
26 purpose shall issue within two business days a memorandum  
27 which states whether or not the farmer has a sufficient net  
28 worth or line of credit to assure payment of the purchase  
29 price on the terms of the sale. The certified request  
30 submitted by the agricultural supply dealer shall state the  
31 amount of the purchase and the terms of sale, and be  
32 accompanied by a waiver of confidentiality signed by the  
33 farmer, and a fifteen dollar fee. If the financial institution  
34 states in its memorandum that the farmer has a sufficient  
35 net worth or line of credit to assure payment of the purchase

1 price, the memorandum is an irrevocable and unconditional  
2 letter of credit to the benefit of the agricultural supply  
3 dealer for a period of thirty days following the date on which  
4 the final payment is due for the amount of the purchase price  
5 which remains unpaid. If the financial institution does not  
6 state in its memorandum that the farmer has a sufficient net  
7 worth or line of credit to assure payment of the purchase  
8 price, the financial institution shall transmit the relevant  
9 financial history which it holds on the person. This financial  
10 history shall remain confidential between the financial  
11 institution, the agricultural supply dealer, and the farmer.

12 2. If within two business days of receipt of a certified  
13 request a financial institution fails to issue a memorandum  
14 upon the request of an agricultural supply dealer and the  
15 request from the agricultural supply dealer was proper under  
16 subsection 1, or if the memorandum from the financial  
17 institution is incomplete, or if the memorandum from the  
18 financial institution states that the farmer does not have  
19 a sufficient net worth or line of credit to assure payment  
20 of the purchase price, the agricultural supply dealer may  
21 decide to make the sale and secure the lien provided in section  
22 570A.3.

23 3. Upon an action to enforce a lien secured under section  
24 570A.3 against the interest of a financial institution secured  
25 to the same collateral as that of the lien, it shall be an  
26 affirmative defense to a financial institution and complete  
27 proof of the superior priority of the financial institution's  
28 lien that the financial institution either did not receive  
29 a certified request and a waiver signed by the farmer, or  
30 received the request and a waiver signed by the farmer and  
31 provided the full and complete relevant financial history  
32 which it held on the farmer making the purchase from the  
33 agricultural supply dealer on which the lien is based and  
34 that financial history reasonably indicated that the farmer  
35 did not have a sufficient net worth or line of credit to

1 assure payment of the purchase price.

2 Sec. 3. NEW SECTION. 570A.3 LIEN CREATED.

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

16 2. An agricultural supply dealer furnishing feed to a  
17 farmer has a lien for the unpaid amount of the retail cost  
18 of the feed, including labor. The lien attaches to all  
19 livestock consuming the feed. However, the lien does not  
20 attach to that portion of the livestock of a farmer who has  
21 paid all amounts due from the farmer for the retail cost,  
22 including labor, of the feed.

23 Sec. 4. NEW SECTION. 570A.4 PERFECTION OF LIEN.

24 1. In order to perfect the lien created by section 570A.3,  
25 the agricultural supply dealer entitled to the lien shall  
26 file a verified lien statement with the office of the secretary  
27 of state. The lien statement must be filed either within  
28 thirty-one days after the first date on which payment is due  
29 from the farmer, or for an agricultural chemical, seed, or  
30 feed on or before September 1 of the current crop year and  
31 for a petroleum product on or before December 1 of the current  
32 crop year, whichever is earlier, except that lien statements  
33 related to feed may be filed at the time the feed is purchased  
34 or delivered. The lien statement shall disclose all of the  
35 following:

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

3 b. An itemized declaration of the nature and retail cost  
4 of the agricultural chemical, seed, feed, or petroleum product  
5 which was furnished.

6 c. The last date on which the agricultural supply dealer  
7 claiming the lien furnished the agricultural chemical, seed,  
8 feed, or petroleum product for which the lien is claimed.

9 d. The first date on which payment was due from the farmer  
10 for whom the agricultural chemical, seed, feed, or petroleum  
11 product was furnished.

12 e. The name and address of the farmer for whom the  
13 agricultural chemical, seed, feed, or petroleum product was  
14 furnished.

15 f. The legal description of the real property on which  
16 the crops to which the lien attaches are growing or are to  
17 be grown or the description of the livestock or animals to  
18 which the lien attaches.

19 2. The secretary of state shall enter on the lien statement  
20 the time of day and date of filing.

21 3. If an agricultural supply dealer fails to file the  
22 lien statement within the time required by subsection 1, the  
23 lien and all benefits under this chapter are forfeited.

24 4. The secretary of state shall note the filing of a lien  
25 statement under this section in the manner provided by chapter  
26 554, the uniform commercial code, and shall charge a four  
27 dollar filing fee if the statement is the standard form  
28 prescribed by the secretary of state, and otherwise a fee  
29 of five dollars.

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 mail any other creditor

1 who holds a lien or security interest which is subordinate  
2 or equal to the agricultural supply dealer's lien.

3 Sec. 5. NEW SECTION. 570A.5 PRIORITY OF LIEN.

4 1. A lien perfected under this chapter is superior to  
5 a lien or security interest which attaches subsequent to the  
6 time the lien statement is filed with the secretary of state,  
7 except liens which arise under this chapter or under chapters  
8 570 and 571.

9 2. A lien perfected under this chapter is equal to a lien  
10 or security interest which is of record or which is perfected  
11 prior to the time the lien statement is filed with the  
12 secretary of state except as provided in section 570A.2,  
13 subsection 3.

14 3. A lien perfected under this chapter for the purposes  
15 of feed will continue to be perfected in the livestock and  
16 takes priority over an earlier perfected lien or security  
17 interest to the extent of the difference between the  
18 acquisition price of the livestock and the fair market value  
19 of the livestock at the time the lien attaches or the sale  
20 price of the livestock, whichever is greater.

21 Sec. 6. NEW SECTION. 570A.6 ENFORCEMENT OF LIEN.

22 1. The holder of a lien perfected under this chapter may  
23 enforce the lien in the manner provided in chapter 554, article  
24 9, part 5, for the enforcement of security interests. For  
25 purposes of enforcement of the lien, the lienholder is deemed  
26 to be the secured party, and the farmer for whom the  
27 agricultural chemical, seed, feed, or petroleum product was  
28 furnished is deemed to be the debtor, and each has the  
29 respective rights and duties of a secured party and a debtor  
30 as provided in chapter 554, article 9, part 5. Where a right  
31 or duty under chapter 554, article 9, part 5 is contingent  
32 upon the existence of express language in a security agreement,  
33 or may be waived by express language in a security agreement,  
34 the requisite language is deemed not to exist for purposes  
35 of enforcement of the lien created by this chapter.

1     Sec. 7. NEW SECTION. 570A.7 ENFORCEMENT ACTIONS. An  
2 action to enforce a lien arising under this chapter may be  
3 commenced in the district court after the lien is perfected.  
4 The action may be brought in any county in which some part  
5 of the crop and livestock or animals is located. The action  
6 shall be by equitable proceedings, and no other cause of  
7 action shall be joined with it. A lien statement may be  
8 amended by leave of the court in furtherance of justice,  
9 except as to the amount demanded. An action to enforce a  
10 lien under this chapter may be brought within one year after  
11 the date the lien statement is filed and not afterward.

12     Sec. 8. NEW SECTION. 570A.8 DEMAND FOR BRINGING SUIT.

13     1. A person who has an interest in crops or livestock  
14 to which a lien has attached under this chapter may serve  
15 upon the lienholder a written demand that the lienholder  
16 commence an action to enforce the lien within thirty days  
17 after the date of service. The written demand shall be served  
18 in the same manner provided for service of an original notice.  
19 If the lienholder fails to commence an action within thirty  
20 days after being served with the written demand, the lien  
21 and all benefits of the lien are extinguished.

22     2. Return of service of the written demand specified in  
23 subsection 1 shall be filed with the secretary of state.

24     3. The lienholder shall file with the secretary of state  
25 a file stamped copy of the petition to enforce the lien within  
26 thirty days of commencing the action. Failure to file the  
27 copy of the petition will cause the verified lien statement  
28 to lapse.

29     Sec. 9. NEW SECTION. 570A.9 ASSIGNMENT OF LIEN. A lien  
30 which has been perfected under this chapter is assignable,  
31 and follows the assignment of the debt for which it is claimed.

32     Sec. 10. NEW SECTION. 570A.10 ACKNOWLEDGEMENT OF  
33 SATISFACTION. When a lien under this chapter is satisfied  
34 by payment of the claim, the lienholder shall acknowledge  
35 the satisfaction of the claim in writing to the secretary

1 of state. If the lienholder failed to file an acknowledgement  
2 of satisfaction with the secretary of state within thirty  
3 days after written demand by a person having an interest in  
4 the crop or livestock, the lienholder is liable to the person  
5 for a penalty of twenty-five dollars, plus actual damages  
6 incurred as a result of the failure, plus attorney fees and  
7 court costs.

8 Sec. 11. NEW SECTION. 570A.11 RIGHTS AND REMEDIES.

9 The rights and remedies provided for in this chapter are in  
10 addition to and not in lieu of the rights and remedies provided  
11 for in chapter 572.

12 Sec. 12. Section 554.9407, subsection 3, Code Supplement  
13 1983, is amended to read as follows:

14 3. Upon written request of any person, the filing officer  
15 shall issue a certificate showing whether there is on file  
16 on the date and hour stated therein, any presently effective  
17 financing statement or verified lien statement under chapter  
18 570A naming a particular debtor and any financing statement  
19 or verified lien statement changes and if there ~~is~~ are, giving  
20 the date and hour of filing of each such filing and the names  
21 and addresses of each secured party therein. The uniform  
22 fee for such a certificate shall be four dollars if the request  
23 for the certificate is on a form conforming to standards  
24 prescribed by the secretary of state; otherwise, five dollars.  
25 Upon request and the payment of the appropriate fee the filing  
26 officer shall furnish a certified copy of any filed financing  
27 statement or financing statement changes or verified lien  
28 statement or lien statement changes for a uniform fee of one  
29 dollar per page.

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SF 510  
mf/slc/26a

SENATE FILE 510

AN ACT

RELATING TO LIENS AGAINST CROPS AND LIVESTOCK TO SECURE PAYMENT FOR AGRICULTURAL CHEMICALS, SEED, PETROLEUM PRODUCTS, AND FEED USED IN THE PRODUCTION OF GROWING CROPS AND LIVESTOCK AND PROVIDING FOR THE PERFECTION, ENFORCEMENT, ASSIGNMENT, AND SATISFACTION OF THESE LIENS, AND PROVIDING FOR STATUTORY DAMAGES.

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

Section 1. NEW SECTION. 570A.1 DEFINITIONS. As used in this chapter, unless the context otherwise requires:

1. "Agricultural chemical" means a fertilizer or agricultural chemical which is applied to crops or land which is used for the raising of crops, including but not limited to fertilizer as defined in section 200.3, and pesticide as defined in section 206.2.

2. "Agricultural purpose" means a purpose related to the production, harvest, marketing, or transportation of agricultural products by a person who cultivates, plants, propagates or nurtures the agricultural products including agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any other products raised or produced on farms.

3. "Agricultural supply dealer" means a person engaged in the retail sale of agricultural chemicals, seed, feed, or petroleum products used for an agricultural purpose.

4. "Certified request" means a request delivered by registered or certified mail, or a request delivered in person in writing signed and dated by the respective parties.

5. "Farmer" means a person engaged in a business which has an agricultural purpose.

6. "Feed" means a commercial feed, feed ingredient, mineral feed, drug, animal health product, or customer-formula feed which is used for the feeding of livestock, including but not limited to feed as defined in section 198.3.

7. "Financial history" means the record of a person's current loans, the date of a person's loans, the amount of the loans, the person's payment record on the loans, current liens against the person's property, and the person's most recent financial statement.

8. "Financial institution" means a bank, credit union, insurance company, mortgage banking company or savings and loan association, industrial loan company, production credit association, farmer's home administration, or like institution which operates or has a place of business in this state.

9. "Labor" means labor performed in the application, delivery, or preparation of a product defined in subsections 1, 6, 11, and 13.

10. "Letter of credit" means an engagement by a financial institution to honor drafts or other demands for payment.

11. "Petroleum product" means a motor fuel or special fuel which is used in the production of crops and livestock, including but not limited to motor fuel as defined in section 324.2.

12. "Sale on a credit basis" means a transaction in which the purchase price is due on a date after the date of the sale.

13. "Seed" means agricultural seeds which are used in the production of crops, including but not limited to agricultural seed as defined in section 199.1.

Sec. 2. NEW SECTION. 570A.2 FINANCIAL INSTITUTION MEMORANDUM TO AGRICULTURAL SUPPLY DEALERS.

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

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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 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 be accompanied by a waiver of confidentiality signed by the farmer, and a fifteen dollar fee. 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.

2. If within two business days of receipt of a certified request a financial institution fails to issue a memorandum upon the request of an agricultural supply dealer and the request from the agricultural supply dealer was proper under subsection 1, or if the memorandum from the financial institution is incomplete, or if the memorandum from the financial institution states that the farmer does not have a sufficient net worth or line of credit to assure payment of the purchase price, the agricultural supply dealer may decide to make the sale and secure the lien provided in section 570A.3.

3. Upon an action to enforce a lien secured under section 570A.3 against the interest of a financial institution secured to the same collateral as that of the lien, it shall be an affirmative defense to a financial institution and complete proof of the superior priority of the financial institution's lien that the financial institution either did not receive a certified request and a waiver signed by the farmer, or received the request and a waiver signed by the farmer and provided the full and complete relevant financial history which it held on the farmer making the purchase from the agricultural supply dealer on which the lien is based and that financial history reasonably indicated that the farmer did not have a sufficient net worth or line of credit to assure payment of the purchase price.

Sec. 3. NEW SECTION. 570A.3 LIEN CREATED.

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 last date on which the agricultural chemical was applied, or produced from seed furnished, or produced using the petroleum product furnished. 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.

2. An agricultural supply dealer furnishing feed to a farmer has a lien for the unpaid amount of the retail cost of the feed, including labor. The lien attaches to all livestock consuming the feed. However, the lien does not attach to that portion of the livestock of a farmer who has paid all amounts due from the farmer for the retail cost, including labor, of the feed.

Sec. 4. NEW SECTION. 570A.4 PERFECTION OF LIEN.

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 feed is purchased or delivered. 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.
- c. The last date on which the agricultural supply dealer claiming the lien furnished the agricultural chemical, seed, feed, or petroleum product for which the lien is claimed.
- d. The first date on which payment was due from the farmer for whom the agricultural chemical, seed, feed, or petroleum product was furnished.
- e. The name and address of the farmer for whom the agricultural chemical, seed, feed, or petroleum product was furnished.
- 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.

2. The secretary of state shall enter on the lien statement the time of day and date of filing.

3. If an agricultural supply dealer fails to file the lien statement within the time required by subsection 1, the lien and all benefits under this chapter are forfeited.

4. The secretary of state shall note the filing of a lien statement under this section in the manner provided by chapter 554, the uniform commercial code, and shall charge a four dollar filing fee if the statement is the standard form prescribed by the secretary of state, and otherwise a fee of five dollars.

5. 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 mail any other creditor who holds a lien or security interest which is subordinate or equal to the agricultural supply dealer's lien.

Sec. 5. NEW SECTION. 570A.5 PRIORITY OF LIEN.

1. A lien perfected under this chapter is superior to a lien or security interest which attaches subsequent to the time the lien statement is filed with the secretary of state, except liens which arise under this chapter or under chapters 570 and 571.

2. A lien perfected under this chapter is equal to a lien or security interest which is of record or which is perfected prior to the time the lien statement is filed with the secretary of state except as provided in section 570A.2, subsection 3.

3. A lien perfected under this chapter for the purposes of feed will continue to be perfected in the livestock and takes priority over an earlier perfected lien or security interest to the extent of the difference between the acquisition price of the livestock and the fair market value of the livestock at the time the lien attaches or the sale price of the livestock, whichever is greater.

Sec. 6. NEW SECTION. 570A.6 ENFORCEMENT OF LIEN.

1. The holder of a lien perfected under this chapter may enforce the lien in the manner provided in chapter 554, article

9, part 5, for the enforcement of security interests. For purposes of enforcement of the lien, the lienholder is deemed to be the secured party, and the farmer for whom the agricultural chemical, seed, feed, or petroleum product was furnished is deemed to be the debtor, and each has the respective rights and duties of a secured party and a debtor as provided in chapter 554, article 9, part 5. Where a right or duty under chapter 554, article 9, part 5 is contingent upon the existence of express language in a security agreement, or may be waived by express language in a security agreement, the requisite language is deemed not to exist for purposes of enforcement of the lien created by this chapter.

Sec. 7. NEW SECTION. 570A.7 ENFORCEMENT ACTIONS. An action to enforce a lien arising under this chapter may be commenced in the district court after the lien is perfected. The action may be brought in any county in which some part of the crop and livestock or animals is located. The action shall be by equitable proceedings, and no other cause of action shall be joined with it. A lien statement may be amended by leave of the court in furtherance of justice, except as to the amount demanded. An action to enforce a lien under this chapter may be brought within one year after the date the lien statement is filed and not afterward.

Sec. 8. NEW SECTION. 570A.8 DEMAND FOR BRINGING SUIT.

1. A person who has an interest in crops or livestock to which a lien has attached under this chapter may serve upon the lienholder a written demand that the lienholder commence an action to enforce the lien within thirty days after the date of service. The written demand shall be served in the same manner provided for service of an original notice. If the lienholder fails to commence an action within thirty days after being served with the written demand, the lien and all benefits of the lien are extinguished.

2. Return of service of the written demand specified in subsection 1 shall be filed with the secretary of state.

3. The lienholder shall file with the secretary of state a file stamped copy of the petition to enforce the lien within thirty days of commencing the action. Failure to file the copy of the petition will cause the verified lien statement to lapse.

Sec. 9. NEW SECTION. 570A.9 ASSIGNMENT OF LIEN. A lien which has been perfected under this chapter is assignable, and follows the assignment of the debt for which it is claimed.

Sec. 10. NEW SECTION. 570A.10 ACKNOWLEDGMENT OF SATISFACTION. When a lien under this chapter is satisfied by payment of the claim, the lienholder shall acknowledge the satisfaction of the claim in writing to the secretary of state. If the lienholder failed to file an acknowledgment of satisfaction with the secretary of state within thirty days after written demand by a person having an interest in the crop or livestock, the lienholder is liable to the person for a penalty of twenty-five dollars, plus actual damages incurred as a result of the failure, plus attorney fees and court costs.

Sec. 11. NEW SECTION. 570A.11 RIGHTS AND REMEDIES. The rights and remedies provided for in this chapter are in addition to and not in lieu of the rights and remedies provided for in chapter 572.

Sec. 12. Section 554.9407, subsection 3, Code Supplement 1993, is amended to read as follows:

3. Upon written request of any person, the filing officer shall issue a certificate showing whether there is on file on the date and hour stated therein, any presently effective financing statement or verified lien statement under chapter 570A naming a particular debtor and any financing statement or verified lien statement changes and if there ~~is~~ are, giving the date and hour of filing of each such filing and the names and addresses of each secured party therein. The uniform fee for such a certificate shall be four dollars if the request for the certificate is on a form conforming to standards

prescribed by the secretary of state; otherwise, five dollars. Upon request and the payment of the appropriate fee the filing officer shall furnish a certified copy of any filed financing statement or financing statement changes or verified lien statement or lien statement changes for a uniform fee of one dollar per page.

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ROBERT T. ANDERSON  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 510, Seventieth General Assembly.

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K. MARIE THAYER  
Secretary of the Senate

Approved April 12, 1984

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TERRY E. BRANSTAD  
Governor

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