

2/27/95 Agriculture

FILED FEB 27 1995
3-14-95 Do Pass

Substituted by
HF 198
4-12-95-
(P. 1159)

SENATE FILE 210
BY BENNETT

(COMPANION TO HF 198
BY GREIG)

WITHDRAWN
4-12-95

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

A BILL FOR

1 An Act creating a lien arising from the care and feeding of
2 livestock in a custom cattle feedlot.

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

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WITHDRAWN

S.F. 210

1 Section 1. Section 579.1, Code 1995, is amended to read as
2 follows:

3 579.1 NATURE OF LIEN.

4 1. Livery and feed stable keepers, herders, feeders, or
5 keepers of stock ~~and of places for the storage of motor~~
6 ~~vehicles, boats and boat engines and boat motors~~ shall have a
7 lien on all property coming into their hands, as such, for
8 their charges and the expense of keeping, but such lien shall
9 be subject to chapter 579A and all prior liens of record.

10 2. Places for the storage of motor vehicles, boats, and
11 boat engines and boat motors shall have a lien on all property
12 coming into their hands, as such, for their charges and the
13 expense of keeping, but such lien shall be subject to all
14 prior liens of record.

15 Sec. 2. NEW SECTION. 579A.1 DEFINITIONS.

16 As used in this chapter, unless the context otherwise
17 requires:

18 1. "Cattle" means an animal classified as bovine,
19 regardless of the age or sex of the animal.

20 2. "Custom cattle feedlot" means a feedlot where cattle
21 owned by a person are subject to care and feeding performed by
22 another person.

23 3. "Feedlot" means the same as defined in section 172D.1.

24 Sec. 3. NEW SECTION. 579A.2 ESTABLISHMENT OF LIEN --
25 PRIORITY.

26 Except for a lien perfected as provided in chapter 581, a
27 custom cattle feedlot operator shall have a first and
28 paramount lien upon the cattle and the identifiable cash
29 proceeds from the sale of the cattle for the feed and care
30 bestowed on the cattle up to the amount of the contract price
31 agreed upon by both parties, or if no price has been agreed
32 upon, for the reasonable value of such feed and care. A lien
33 created under this section is perfected without any notice to
34 any person by the provision of the feed and care. The lien
35 attaches at the time the cattle enter the feedlot and

1 continues for one year after the cattle have left the feedlot.
2 The lien is enforceable against a purchaser of the cattle,
3 including a purchaser who did not have knowledge of the lien.
4 This lien has priority over a conflicting security interest in
5 the cattle, including over a lien that was perfected prior to
6 the attachment of the feedlot operator's lien.

7 Sec. 4. NEW SECTION. 579A.3 ENFORCEMENT.

8 While cattle are located at the feedlot, the feedlot
9 operator may foreclose its lien in the manner provided for the
10 foreclosure of secured transactions as provided in sections
11 554.9504, 554.9506, and 554.9507. After the cattle have left
12 the feedlot, the feedlot operator may enforce its lien by
13 commencing an action at law for the amount of the lien against
14 a person who has possession of the cattle, a person who holds
15 the identifiable cash proceeds from the sale of the cattle, or
16 any purchaser of the cattle after the cattle have left the
17 feedlot.

18 Sec. 5. Section 580.1, Code 1995, is amended to read as
19 follows:

20 580.1 NATURE OF LIEN -- FORFEITURE.

21 The Except as provided in chapter 579A, the owner or keeper
22 of any stallion, bull or jack kept for public service, or any
23 person, firm, or association which invokes pregnancy of
24 animals for the public by means of artificial insemination
25 shall have a prior lien on the progeny of such stallion, bull,
26 artificial insemination or jack, to secure the amount due such
27 owner, artificial inseminator or keeper for the service
28 resulting in such progeny, but no such lien shall obtain where
29 the owner or keeper misrepresents the animal by a false or
30 spurious pedigree, or fails to substantially comply with the
31 laws of Iowa relating to such animals.

32 EXPLANATION

33 This bill provides that a custom cattle feedlot operator
34 has a lien upon the cattle and the identifiable cash proceeds
35 from the sale of the cattle for the feed and care bestowed on

1 the cattle up to the contract price agreed upon by the
2 parties, or, if no price has been agreed upon, for the
3 reasonable value of such feed and care. The lien is superior
4 to all other liens except liens filed by a veterinarian under
5 chapter 581. The lien is perfected without any notice to any
6 person by the provision of the feed and care. The lien
7 attaches at the time the cattle enter the feedlot and
8 continues for one year after the cattle have left the feedlot.
9 The lien is enforceable against a purchaser of the cattle,
10 including a purchaser who did not have knowledge of the lien.
11 This lien has priority over a conflicting security interest in
12 the cattle, including over a lien that was perfected prior to
13 the attachment of the feedlot operator's lien. While cattle
14 are located at the feedlot, the feedlot operator may foreclose
15 its lien in the manner provided for the foreclosure of secured
16 transactions as provided in article 9 of the uniform
17 commercial code. After the cattle have left the feedlot, the
18 feedlot operator may enforce its lien by commencing an action
19 at law for the amount of the lien against a person who has
20 possession of the cattle, a person who holds the identifiable
21 cash proceeds from the sale of the cattle, or any purchaser of
22 the cattle after the cattle have left the feedlot.

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SENATE FILE 210

S-3309

1 Amend Senate File 210 as follows:

2 1. Page 1, by inserting after line 22 the
3 following:

4 "_____. "Custom cattle feedlot operator" means the
5 owner of a custom cattle feedlot or a person managing
6 the custom cattle feedlot, if the person is authorized
7 by the owner to file and enforce a lien under this
8 chapter."

9 2. Page 1, by inserting after line 23 the
10 following:

11 "_____. "Processor" means the same as defined in
12 section 9H.1."

13 3. By striking page 1, line 26, through page 2,
14 line 6, and inserting the following:

15 "1. A custom cattle feedlot operator shall have a
16 lien upon the cattle and the identifiable cash
17 proceeds from the sale of the cattle for the amount of
18 the contract price for the feed and care of the
19 livestock at the custom cattle feedlot agreed upon by
20 the custom cattle feedlot operator and the person who
21 owns the cattle, which may be enforced as provided in
22 section 579A.3.

23 2. The lien is created at the time the cattle
24 arrive at the custom cattle feedlot and continues for
25 one year after the cattle have left the custom cattle
26 feedlot. In order to preserve the lien, the custom
27 cattle feedlot operator must, within twenty days after
28 the cattle arrive at the custom cattle feedlot, file
29 in the office of the secretary of state, a lien
30 statement on a form prescribed by the secretary of
31 state. The secretary of state shall charge a fee of
32 not more than ten dollars for filing the statement.
33 The secretary of state may adopt rules pursuant to
34 chapter 17A for the electronic filing of the
35 statements. The statement must include all of the
36 following:

37 a. An estimate of the amount of feed and care
38 provided to the cattle pursuant to the contract.

39 b. The estimated duration of the period when the
40 cattle are subject to feed and care at the custom
41 cattle feedlot.

42 c. The name of the party to the contract whose
43 cattle are subject to feed and care at the custom
44 cattle feedlot.

45 d. The description of the location of the custom
46 cattle feedlot, by county and township.

47 e. The signature of the person filing the form.

48 3. Except as provided in chapter 581, a lien
49 created under this section until preserved and a lien
50 preserved under this section is superior to and shall

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Page 2

1 have priority over a conflicting lien or security
2 interest in the cattle, including a lien that was
3 perfected prior to the creation of the lien provided
4 under this section."

5 4. Page 2, by striking lines 8 through 17 and
6 inserting the following:

7 "While the cattle are located at the custom cattle
8 feedlot, the custom cattle feedlot operator may
9 foreclose a lien created in section 579A.2 in the
10 manner provided for the foreclosure of secured
11 transactions as provided in sections 554.9504,
12 554.9506, and 554.9507. After the cattle have left
13 the custom cattle feedlot, the custom cattle feedlot
14 operator may enforce the lien by commencing an action
15 at law for the amount of the lien against either of
16 the following:

17 1. The identifiable cash proceeds from the sale of
18 the cattle which are held by a party to the contract
19 provided in section 579A.2.

20 2. The assets of a processor who has purchased the
21 cattle within three days after the cattle have left
22 the custom cattle feedlot."

23 5. By renumbering as necessary.

By RANDAL J. GIANNETTO

S-3309 FILED MARCH 30, 1995

Adopted
4-12-95